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REASURE ISLAND PROJECT
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BUILDING 1, 2ND FLOOR
TREASURE ISLAND
SAN FRANCISCO, CA 94130
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TREASURE ISLAND DEVELOPMENT AUTHORITY
AGENDA

WEDNESDAY, November 8, 2000 1 P.M.

DOCUMENTS DEPT.

NOV - 3 2000

SAN FRANCISCO
PUBLIC LIBRARY

Room 400, City Hall
1 Dr. Carlton Goodlett Place
Willie L. Brown, Jr., Mayor

DIRECTORS

John Elberling, Vice-Chairman
William Fazande
Susan Po-Rufino
Doug Wong

Gerald Green
Anne Halsted
James Morales

Annemarie Conroy
Executive Director

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Approval of Minutes (*Action item*)
3. Communications (*Discussion item*)
4. Report of the Treasure Island Project Director Annemarie Conroy (*Discussion item*)
 - Report on access to Treasure Island including public use last month
 - Status of environmental clean up
 - Report on short-term leases
 - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
 - Report on Treasure Island community issues
 - Report on Citizens Advisory Committee
 - Report on TIHDI
 - Financial Report
 - Legislation/hearings affecting Treasure Island
 - Discussion Re: selection of RFQ Consultant
5. General Public Comment (*Discussion Item*)
6. Ongoing Business by Directors and Introduction of New Business by members (*Discussion Item*)
7. Resolution authorizing an amendment to extend the term of the Cell Sites Master Lease with the US Navy (*Action Item*)
8. Resolution authorizing MOU with Bay Area Sports Olympics Committee for use of portions of Treasure Island for 2012 Olympic Bid (*Action Item*)
9. Resolution authorizing a sublicense with XO of California to install telecommunication cables

and access vaults (*Action Item*)

10. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Project Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

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TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.ci.sf.ca.us/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

**Minutes of Regular Meeting
Treasure Island Development Authority
October 11, 2000**

Call to order: 1:00 PM in Room in City Hall

Rollcall: Present: John Elberling, Vice Chair
Susan Po-Rufino
Anne Halsted
Greald Green (1:07 PM)
William Fazande

Excused: James Morales
Doug Wong

- 2. Approval of Minutes: The minutes of September 13, 2000 were approved unanimously
- 3. Correspondence: The Commission Secretary reported that there were no communications
- 4. Executive Director's report given by Annemarie Conroy

- Open Access – Ms. Conroy listed up coming events including the Alzheimer's walk, Fleet Week activities, Price Waterhouse Cooper's annual picnic, and Local 790-dinner reception.
- Environmental Clean up - The Navy has continued their cleanup efforts in the housing area specifically Site 12 in addition to collecting air monitoring samples in some of the buildings. TIHDI will begin rehab of their units once it has been determined all buildings are safe for occupancy. Next RAB meeting is October 17.
- Short Term Leases - This item is on the current agenda.
- Bay Bridge – Ms. Conroy stated that the Dept of Transportation, under special legislation, is allowed to take property from other federal agencies for building highways and roads. They are using this statute to take property on YBI from the Navy directly. The Army Corps of Engineers report was released stating that going back and finding a reasonable alternative would take several years and quite a bit of money.
- Community Issues - TIHDI and TIDA are working on a grant with a non-profit called 'Kaboom' to see if there is some private source funding for the parks on TI. The convenience store continues to be an issue. The project office had discussions with Muni to increase service during Fleet Week and during peak evening hours.
- CAC - The members have been appointed. The first meeting is scheduled for October 25. The by-laws will go to the CAC first and then to the Authority for adoption/approval.
- TIHDI – Discussed under environmental and community issues.
- Financial Report - Report deferred to the next meeting in November.
- Legislative Affairs - No new legislative hearings.
- RFP/RFQ – Stephen Proud, Director of Development, passed out three items; a direct mailer that will be sent to everyone who has shown an interest in the redevelopment of TI, the RFQ itself, and the September issue of Urban Land Magazine ad on page 141.

Mr. Elberling asked when will the RFQ go out. Mr. Proud replied the full text of the RFQ is online now at www.jewelofthebay.com. Mailing should start by late next week. Deadline for responses is February 1, 2001.

Ms. Halsted asked would the land in which they're located be the Dept. Of Transportation's claim?
Ms. Conroy replied we have not seen the request from the DOT to the Navy.

Mr. Fazande asked for an update on the convenience store. Ms. Conroy replied we have had no recent interest. The project office is working with Mayor's Office of Community Development, to see if there is funding which could give an incentive to someone to open a store on TI.

Mr. Elberling asked how many youth live on TI. Ms. Conroy replied we would provide the information next month.

Mr. Elberling asked if there are any ongoing conversations with Park & Rec. for its early involvement. Ms. Conroy replied that we have communicated with Park & Rec. & Supervisor Gavin Newsome's office for temporary recreation fields.

Mr. Elberling asked if residents aware of Park & Rec's position. Robert Mahoney, Deputy Director, replied he has informed residents that Park & Rec. stated that the agency could not spend any money on capital improvements until they own the land.

Mr. Elberling asked why Park & Rec. is unable to lease land from the Authority like all the other city agencies? Mr. Mahoney replied the project office has not asked them to lease land. They were asked to improve the property and they explained to the project office that they could not spend capital funds on land they do not own.

Mr. Elberling asked the City Attorney to confirm under what land tenure situation Park & Rec. can a) operate programs and b) improve facilities? Whether leasehold is sufficient? Deputy City Attorney Donnell Choy replied information would be provided at the next meeting.

5. Authority Members Ongoing Business

Mr. Elberling asked if staff could advise the Authority next month, if funds were available through an outside source to cover the ADA & Structural rehabilitation cost, what facilities would be available to nonprofits during the interim. Ms. Conroy replied we have been approached by (nonprofits) and have tried to be accommodating.

6. Public Comment

Arnold Levine, member of the CAC expressed concerned about how the Board was setting up the communications between the Authority and the CAC Board.

Mike Stecz, Pearl Harbor Association and also past docent of the TI Museum, asked about the status of reopening the Museum. Mr. Elberling referred him to the Project office.

Bonnie Henriquez, Apprenticeship Coordinator for the Glaziers in SF. Has a nonprofit organization looking for space.

12. (Out of order, public comment only) Resolution approving a sublease with the San Francisco Police Department for use of several building for the Police Academy.

Mr. Elberling asked to take Item 12, the Police Department Sublease, out of order based on a request for a continuance. However the Authority will allow public comment. Mr. Elberling asked about the reason for the continuance? Ms. Conroy replied residents are concerned about losing the Academy in their

neighborhood. It would mean substantial rent to the Authority. Policy-makers, the Police Commission & Board of Supervisors will however, make the decision to move.

Mr. Elberling asked what would happen during the continuance. Will there be meetings between the neighborhood, Police Dept, Police Commission?

London Breed, Development Specialist, replied the Police Dept is concerned with the term of the sublease. Staff would like to continue negotiations with the Police Dept. In addition, Supervisor Mark Leno's office has called a hearing on this matter. The hearing has not been scheduled. The hearings would allow the residents of Diamond Heights to talk to the committee on the matter. Ms. Conroy added the Police Dept is concerned that the term for the gymnasium and Ship Shape leases are shorter than they would like. Those buildings have been placed in the available properties of the RFQ and those were always meant to be short term and Austin hall was a longer term.

Robert Lull, a member of the Diamond Heights Community Association Board, expressed concern about police protection in the city in case of a major disaster, since the Academy would be so far removed. This would be an expense to citizens of the city to move from a place they already own to a place they lease and the lease could be terminated. He suggested holding off approval of the lease until the City has made a final decision about actually moving the Academy.

Carrie Dipman, TIHDI, expressed interest in public access to the gym and Austin Hall.

Lee Ann Prifti, President of the Diamond Heights Community Association, suggested the use of 1 or 2 of the buildings for the Police Department in some other capacity but not move the actual Police Academy from its current location.

Lt. John Bisordi, SFPD, expressed interest in moving to TI and expanding the Police Academy. By moving to TI to a larger facility, it will allow the Police Dept. to partner with the Sheriff's Department, providing a regional academy for the law enforcement agencies throughout California. Commanding Officer Captain Marsha Ashe would continue to provide services to the Diamond Heights area through Ingleside Police Station. The Academy is a training facility, and it does not provide the calls for services.

Mr. Fazande moved the continuance. Ms. Halsted seconded. Approved 5-0

7. Presentation by the Executive Director of the Commission on the Environment with proposed environmental programs for TI (*Discussion only*)

Francesca Vietor, Director of the Department of Environment for San Francisco – Ms. Vietor stated that the commission acts as a policy advisory body to the Mayor and the Board of Supervisors and other city departments on a variety of environmental matters. The Commission passed two resolutions, one of which was passed by the Board of Supervisors, on the creation of wetlands and the other urging sustainable development on TI. There is quite a bit of interest from the commission on seeing TI developed in a sustainable manner that does not adversely impact the environment in any way. A car-free island was suggested. The commission has been working with Stephen Proud on the RFQ process trying to encourage language for green buildings, for sustainable development, to create a model on TI.

Ms. Conroy commented that the project office is happy to work with the Commission on the Environment. However the project office received the legislation until after it was passed by the Board of Supervisors. The project office would like to be involved in the initial discussions.

Item #8 & 9

8. Resolution approving an amendment to increase the premises of the Land & Structures master lease
(*Action Item*)
9. Resolution approving an amendment to the sublease for California Engineering Contractors to increase the premises and monthly rental rate (*Action Item*)

Mr. Proud explained that the first item is an amendment to the Land & Structures master lease that the Authority holds with the Navy. That lease includes several buildings and facilities that the project office uses on an interim leasing basis. It is the lease under which the original California Engineering contract or sublease was executed. In order to execute the sublease (Item 9), the Authority needs to amend the master lease to include the premises under consideration. The second action item is a follow on amendment to the sublease with California Engineering Contractors for the use of the space. Previously, there was a lot of discussion about making sure the site was secure and that a fence was established. CEC undertook all that work but there's still an area here near the property line that allows access through the site. These actions would clean up their boundary line, allow them to extend their fence line all the way to the edge of this building that's immediately below their property and provide additional storage in that area.

Mr. Green asked if the area was across Avenue F. Mr. Proud replied that it is. Avenue F is included in their site. It is used solely by CEC to gain access into and out of their site. There's actually a fence with a gate that crosses Avenue F in part to prevent unwanted visitors & residents having access into the site and getting hurt.

Mr. Green asked for additional information on the issues surrounding landscaping and cleaning streets. Mr. Proud replied that there were several conditions upon which the Authority granted the original sublease to CEC. One was putting the site into an order that was acceptable, primarily from an aesthetic perspective. They installed the fence with screening. Another was the stacking of materials so the materials would not go above the fence. In their occupation of that site they have addressed all of the initial concerns that were laid out in a management plan. The amendment to the subleases would run the same term as the existing sublease. The rental rate would still be \$0.15 cents a square foot. All of the terms of the sublease would remain unchanged.

Mr. Green asked what will happen in Building 257. Mr. Proud replied that Building 257 is vacant. The windows are boarded up and the utilities have been disconnected. It a building that would be scheduled for demolition. There is no future anticipated reuse of that building.

Mr. Fazande asked have we discussed the fence with the Fire Dept? Mr. Proud replied yes.

Item 8 - Mr. Green moved approval, Ms. Halsted seconded. Approved 5-0

Item 9 – Mr. Green moved approval, Ms. Halsted seconded. Approved 5-0

10. Resolution approving a master license with the Navy to permit underground installation of fiber optic telecommunication cables and access vaults at 2 locations on TI (*Action Item*)

Robert Mahoney, the Deputy Director of the TI Project Office, described the history of the project. The communication vaults that currently exist are located in front of Building 1 and the other is on the Berkeley side waterfront. An existing BCDC permit allows them to connect those 2 vaults to an existing ATT conduit easement. In 1999 when this permit was issued, Nexlink understood that TI was federal property, so BCDC's jurisdiction required that they have a license from the Navy. In December of 1999

the Navy issued a temporary license for these conduits and vaults. The license expired in February 2000. The project office asked the Navy to execute a Master License with the Authority, and the Authority would, be able to enter into a sublicense with Nextlink or any other telecommunications provider. The Master License would allow the Authority to have control over all underground installations throughout the island. Any sublicense executed by the Authority will ensure, in this case, that these conduits and vaults are moveable at the owner's expense.

Mr. Green asked if we authorizing someone to install the infrastructure and then we will allow staff to negotiate with whomever to then provide the fiberoptic? Mr. Mahoney replied the action is a license between the Navy and the City to license conduits. Nexlink is the company that put the cable across the bay on a BCDC permit. They would need a sublicense from the Authority to connect these two manholes.

Ms. Conroy replied the sublicense will come back she added that we're stepping in right now because we were concerned the Navy would license directly with Nexlink.

Mr. Elberling asked if there are DSL lines on the Island. Mr. Mahoney replied that Pacific Bell is the only provider of data communications to TI housing, and is unable to provide DSL lines from their current equipment. Nextlink, is not tariffed to provide residential service, only business service.

Mr. Fazande moved approval. Mr. Green seconded. Approved 5-0

11. Resolution approving a sublease with the SFSD for the use of the Brig facility for training purposes only (*Action Item*)

Ms. Breed explained that previously the project office informed the Authority that the Brig would be used as a jail. However, due to budget reasons the Sheriff's Dept is not able to use this facility to house inmates. Because of the limited reuse potential of the facility, we have decided to work with the Sheriff's Dept to enter into a one-year term sublease. The sublease will allow the Sheriff's Dept. to use the facility for 90 days a year for training purposes only. The amount of rent is \$250,000 per year. They have provided us with a management plan for the Brig.

Mr. Green asked if the sublease includes other maintenance and landscaping improvements. Ms. Breed replied yes. Ms. Conroy added that we are required to receive fair market value for these facilities. The project office determined that 90 days at \$250,000 is equal to fair market value. The Sheriff's Dept. will maintain the landscaping, and pay CAM charges. The Brig will be used only as a training facility; it will not be opened as a jail. If that were to change, a new sublease would be presented to the Authority and TI staff.

Mr. Green asked if there have been any outreach to the residents of the Island so they know the plans of the Sheriff's Dept. Ms. Conroy replied yes.

Public Comment

Ruth Gravanis suggested that public transportation and bicycles be used to travel back and forth from the facility.

Mr. Fazande moved approval. Ms. Po-Rufino seconded. Approved 5-0

13. Resolution approving a sublease with the SFFD for use of the Fire Training Facility (*Action Item*)

Ms. Breed explained that as the designated local reuse authority (LRA) responsible for integrating TI into the City and County of San Francisco, it's important that all the Navy property disposition be coordinated with the Authority's long term development plans. To accomplish this goal, staff is seeking authorization from the Authority to amend the existing master lease between the City and Navy to allow the Authority to lease the property directly from the Navy and then sublease to the City on behalf of the Fire Dept.

Ms. Conroy added that the City of SF, on behalf of the Fire Dept. entered into a lease directly with the Navy so that the Fire Dept. received the property at no cost, prior to TIDA being established. The Authority, under the Tidelands Trust, is required to receive fair market value for all property on TI and YBI. Fair market value for the fire training facility is 1.6 million per year. If the resolution is approved by the Authority, staff will then request that the Board of Supervisors to approve an amendment to the master lease with the City of SF on behalf of the Fire Dept., to yield control to the Authority. The Authority will then enter into the sublease with the Fire Dept. The resolution allows 1) the Authority to amend the master lease to change the name from the City to the Authority and 2) enter into a sublease for the fire training facility.

Mr. Green asked if the residents been made aware of exactly what kind of training will take place at the facility? Ms. Conroy replied yes.

Mr. Green asked if the lease gives the Authority any control over when the training takes place. Ms. Conroy replied there are operational hours for the training specified.

Mr. Fazande moved approval. Mr. Green seconded. Approved 5-0

14. Adjourn 2:35 PM

Notes

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Handwriting practice lines for notes.

Notes

TREASURE ISLAND DEVELOPEMNT AUTHORITY
City and County of San Francisco

Agenda Item No. 7

November 8, 2000

Subject: Resolution approving an amendment to extend the term of the Cell Sites Master Leases with the United States Navy for two years.

Staff Contact: London Breed, Development Specialist 274-0665

SUMMARY OF PROPOSED ACTION

Staff requests the Authority to adopt a resolution approving an amendment to the Cell Sites Master Lease with the United States Navy to extend the term for two years.

DISCUSSION

On January 1, 2000, the Executive Director of the Treasure Island Development Authority entered into lease agreements, under the Authority's Rules and Procedures for Transfer of Real Property, with the United States Navy for the Cell Sites Master Lease for a six-month term. The Lease expired on July 31, 2000 and the Navy has delayed an amendment to extend the term because of discussions to include the property in another Master Lease. The Navy has not yet issued the amendment for approval, however we expect to receive it by November 15, 2000. The project office would like to approve a resolution to extend the term prior to the receipt of the amendment, in order to execute the amendment as soon as it is received.

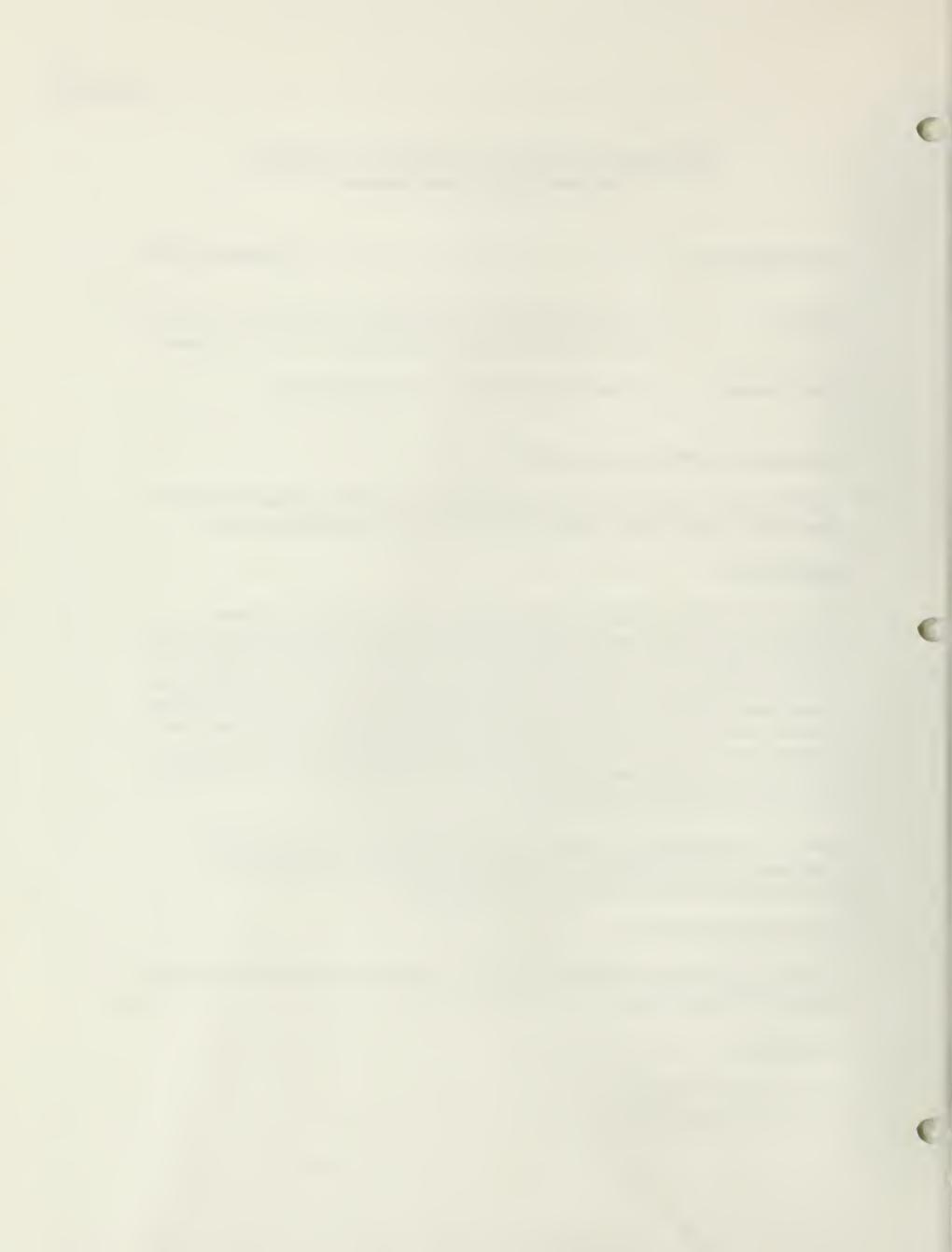
The Cell Sites Master Lease is used to host cell site antennas for several wireless companies including Nextlink, GTE, Pacbell and Celluarone, which generates approximately \$100,000 annually to the project office.

RECOMMENDATION

Staff recommends approval for the Authority to extend the term of the Cell Sites Master Lease for a two-year term.

EXHIBITS

A - Cell Sites Master Lease
B - Map of Leased Premises



[Master Lease Amendment]

AUTHORIZING AN AMENDMENT TO EXTEND THE TERM OF THE CELL SITES MASTER
LEASE BETWEEN THE AUTHORITY AND THE NAVY UNTIL JULY 31, 2002.

WHEREAS, the Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into the Cell Sites Master Lease, dated January 1, 2000, a copy of which is attached as Exhibit A; and

WHEREAS, the Cell Sites Master Lease enables the Authority to sublease portions of the Master Lease areas for interim uses; and

WHEREAS, the area covered by the Cell Sites Master Lease is depicted in Exhibit B, attached; and

WHEREAS, the Authority and the Navy wish to amend the Cell Sites Master Lease to extend the term of the Master Lease from August 1, 2000 to July 31, 2002; now therefore be it

RESOLVED, That the Board of Directors hereby authorizes the Executive Director to enter into an amendment to the Cell Sites Master Lease to extend the term from August 31, 2000 to July 31, 2002, with all other terms and conditions of the Master Lease remaining in full force and effect.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 8, 2000.

John Elberling

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LESS THAN FAIR MARKET

INTERIM LEASE

BETWEEN

THE UNITED STATES OF AMERICA

AND

TREASURE ISLAND DEVELOPMENT AUTHORITY

FOR

CELL SITES

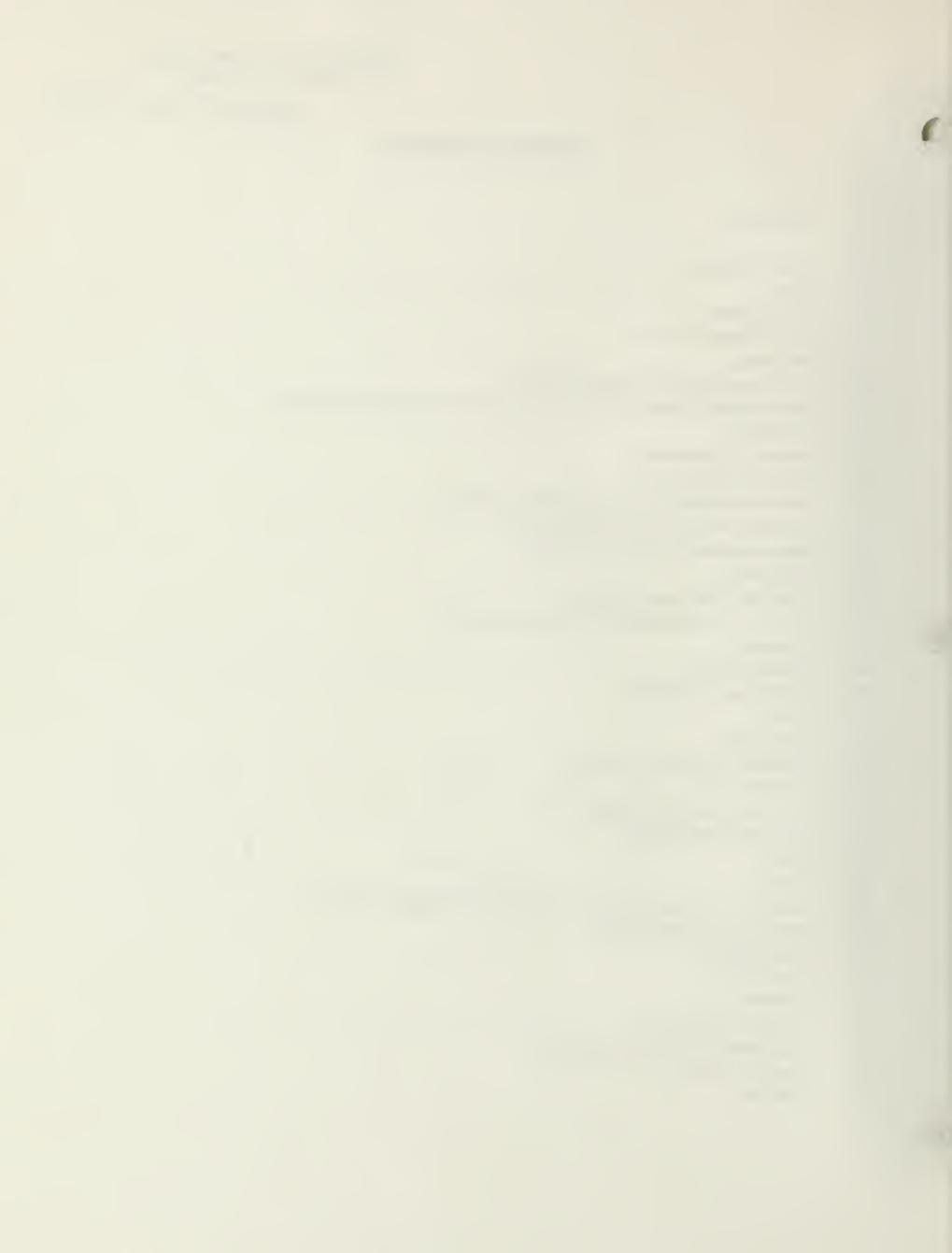
AT THE

NAVAL STATION, TREASURE ISLAND

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LEASE
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

N6 247400 R D 41 B 03

THIS LEASE, made this 4th day of January, 1999, by and between THE
UNITED STATES OF AMERICA, acting by and through the Department of the Navy, herein
called "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY herein
called "Lessee"

WITNESSETH:

WHEREAS, Government has declared certain real and personal property, as more particularly
described in Paragraph 1, surplus at the Installation, and Lessee has identified an immediate need
to use such real and personal property; and

WHEREAS, the Secretary of the Navy, pursuant to the provisions of 10 U.S.C. § 2667 (f)(1),
has determined that this Lease will facilitate state and local economic adjustment efforts pending
final disposition of the real and personal property; and

WHEREAS, the Secretary of the Navy, pursuant to 10 U.S.C. § 2667 (f)(2) has determined that
a public interest will be served as a result of this Lease, the fair market value of the Lease is
either unobtainable or not compatible with such public benefit, and that consequently,
consideration for this Lease will be at less than fair market value; and

WHEREAS, the Secretary of the Navy, after consultation with the Environmental Protection
Agency Administrator has determined that the Leased Premises is suitable for lease, and the uses
contemplated for the Lease are consistent with protection of human health and the environment;
and

WHEREAS, Lessee is recognized by the Secretary of the Defense, through the Office of
Economic Adjustment, as the local redevelopment authority with the responsibility for the
redevelopment of the Installation; and

WHEREAS, Lessee has the power to acquire, lease and dispose of federal military installations,
and Lessee desires to enter into this Lease; and

NOW THEREFORE: in consideration of the terms, covenants, and conditions hereinafter set
forth, Government and Lessee hereby agree as follows:

1. LEASED PREMISES:

N6247400RP41B03

Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, leased premises as described in Addendum (a), attached hereto and made a part of this lease, together with all improvements; as shown on Exhibits A-1 and A-2, attached hereto and by reference made a part of this lease hereafter called "Leased Premises", and with the right of ingress and egress to Leased Premises.

2. TERM:

The term of this lease shall be for the period described in the Addendum (a) unless sooner terminated in accordance with the provisions of Paragraph 14, Termination.

3. CONSIDERATION:

3.1 As consideration for this Lease, Lessee agrees to actively market and sublease those portions of the Leased Premises which are suitable for use or occupancy. Lessee shall also provide protection and maintenance to the extent described in Paragraph 12 for those portions of the Leased Premises which are or have been during the term of this Lease: (1) used or occupied by Lessee or (2) subleased by Lessee to another. As additional consideration, Lessee shall apply any revenue (as defined herein) received from subleasing the Premises; first, to reimburse Government for the cost incurred by Government in connection with common services provided which benefit Lessee or sublessees (as defined in Paragraph 3.1.2 below); second, to reimburse itself for marketing and property management expenses incurred by Lessee in accordance with marketing and property management plans regarding the Installation previously approved by Government; and third, for expenses incurred by Lessee for improvements to Installation, previously approved by Government. "Revenue" as referred to herein means rental income and any other miscellaneous income derived from the rental of real or personal property excluding sales tax, use and occupancy tax, franchise tax and other miscellaneous taxes, building fees, planning fees and inspection fees.

3.1.1 Lessee shall be responsible for paying the cost of services incurred by Government and provided for the benefit of Lessee and sublessees as defined in Paragraph 3.1.2. Government will advise Lessee of those costs on a monthly basis. Payment shall be made by Lessee within 30 days.

3.1.2 The cost of common services will be allocated to each portion of Leased Premises which are, or have been during the term of this Lease: (1) used or occupied by Lessee or (2) subleased by Lessee to another, based on a per square foot charge as described in Addendum (a). These allocation costs may be revised by Government and Lessee on an annual basis or at other times upon mutual agreement.

N6247400RP41B03

"Common Services" for the purpose of this allocation include but are not limited to: fire fighting; general perimeter security (this does not include security of those portions of Leased Premises which are (1) used or occupied by Lessee or (2) subleased by Lessee to another); causeway operations, maintenance and repair; maintenance and repair of roads, streets, sidewalks, curbs and gutters; operation, maintenance and repair of street lighting, street signals and signage; operation, maintenance and repair of storm sewer; pest control, and general administration of these services. Nothing in this Lease commits Government to continue to provide common services referenced herein. In the event Government ceases to provide all or a portion of common services described herein, the per square foot charge set forth above will be adjusted accordingly.

In addition to the cost of common services allocated as described above, Lessee will also be required to reimburse Government for any costs incurred which are specifically attributable to an action (or inaction) of Lessee or sublessees. Government will advise Lessee of those costs on a monthly basis. Payment shall be made by Lessee within 30 calendar days.

3.2 Consistent with standard accounting practices for tax purposes, Lessee shall keep adequate records and books of account showing the actual cost to it of all items of labor, material, equipment, supplies, services and other items of cost incurred by it directly in the performance of any item of work or service in the nature of marketing and management; the repair, restoration, protection and maintenance of Leased Premises which is required by Paragraph 12; or otherwise approved or directed by Government. Lessee shall provide Government with access to such records and books of account and proper facilities for inspection thereof at all reasonable times.

4. USE OF LEASED PREMISES:

4.1 The sole purpose for which Leased Premises may be used, in the absence of prior written approval by Government for any other use, is as described in Addendum (a). Lessee understands and acknowledges that this is not and does not constitute a commitment by Government with regard to the ultimate disposal of Leased Premises, in whole or in part, to Lessee or any agency or instrumentality thereof, or to any sublessee. The Lease may be terminated by Government as provided by the terms of the Lease pursuant to Paragraph 14, and Lessee agrees to and acknowledges such terms.

4.2 Lessee shall not undertake any activity that may affect an identified historic or archeological property, including excavation, construction, alteration or repairs of Leased Premises, without the approval of Government. Buried cultural materials may be present on the premises. If such materials are encountered, Lessee shall stop work immediately and notify Government.

5. SUBLETTING:

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5.1 Lessee is authorized to sublease property included in this lease without obtaining Navy approval of the sublease, provided the sublease incorporates the terms of this lease (except for rental terms which may be different in amount or expressed differently) and does not include any provisions that are inconsistent with this lease. A copy of the sublease must be provided to the Navy Local Representative. In the event that the terms and conditions of the proposed sublease do not comply with or are not included in this Lease, then prior Government approval is required. Such consent shall not be unreasonably withheld or delayed. Each sublease shall contain the environmental protection provisions set forth in Paragraph 13 herein. Under no circumstances shall Lessee assign this Lease.

5.2 Any sublease granted by Lessee shall contain a copy of this Lease as an attachment and be subject to all terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of Government to Lessee or any sublessee. Under any sublease made, with or without consent, the sublessee shall be deemed to have assumed all of the obligations of Lessee under this Lease. No sublease shall relieve Lessee of any of its obligations hereunder.

5.3 Upon its execution, a copy of the sublease shall immediately be furnished to the Navy Local Representative. Should a conflict arise between the provisions of this Lease and a provision of the sublease, the provisions of this Lease shall take precedence. Any sublease shall not be taken or construed to diminish or enlarge any of the rights or obligations of either of the parties under this Lease.

6. JOINT INSPECTION AND INVENTORY REPORT:

6.1 Prior to use and occupancy by Lessee or any sublessee, a joint inspection will be conducted by representatives of Lessee and Government of Leased Premises, and a complete inventory of Government real and personal property located therein shall be made. The Joint Inspection and Inventory Report will describe the condition of Leased Premises and will note any deficiencies which are found to exist. The Joint Inspection and Inventory Report shall be attached to the Lease as Exhibits B and C and made a part of this Lease.

6.2 Each inventory contained in the Joint Inspection and Inventory Report shall be identified by building number or facility number and signed and dated by both parties to the Lease. All personal property in a building, unless specifically excepted by terms and conditions of this Lease shall remain with the building.

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6.3 Leased Premises shall be delivered to Lessee "AS IS", "WHERE IS". Government makes no warranty as to Leased Premises' usability generally or as to its fitness for any particular purpose. Any safety and/or health hazards identified shall be corrected, at Lessee's expense, prior to use and occupancy. Such safety and/or health hazards shall be limited to those identified in the attached Joint Inspection and Inventory Report.

6.4 In the event the Lease is terminated and the parties have not agreed to enter into a new Lease, a Lease in Furtherance of Conveyance or an agreement for the sale of the property, Lessee shall return the Leased Premises to Government in the same condition in which it was received, reasonable wear and tear and acts of God excepted. Lessee may at its expense and with prior written approval of Government, which approval shall not be unreasonably withheld or delayed, (a) replace any personal property with personal property of like kind and utility, (b) repair any personal property in a good and workman like manner and (c) dispose of any worn out, obsolete or non-functioning personal property, in accordance with applicable laws and regulations.

7. ENVIRONMENTAL BASELINE SURVEY AND FINDING OF SUITABILITY TO LEASE:

An Environmental Baseline Survey for Lease (EBSL) and a Finding of Suitability to Lease (FOSL) are attached as Exhibit D and made part of this Lease. The EBSL sets forth the existing environmental conditions of Leased Premises as represented by the baseline survey which has been conducted by Government. The FOSL sets forth the basis for the Government's determination that Leased Premises are suitable for leasing. Lessee is hereby made aware of the notifications contained in the FOSL attached hereto as Exhibit D and shall comply with Lease restrictions set forth herein.

8. ALTERATIONS:

8.1 Lessee shall not construct or make or permit its sublessees to construct or make any substantial alterations, additions, excavations, improvements to, installations upon or otherwise modify or alter Leased Premises in any way (collectively "Work"), including those which may adversely affect the cleanup, human health or the environment, without the prior written consent of Government. Such consent may involve a requirement to provide Government with a performance and payment bond satisfactory to it in all respects and other requirements deemed necessary to protect the interest of Government. For Work in the proximity of operable units that are part of a National Priorities List (NPL) Site, such consent may include a requirement for written approval by Government's Remedial Project Manager. All such Work shall be done in a workmanlike manner and be subject to the requirements of all state and local building codes. Except as such written approval shall expressively provide otherwise, all such approved Work affixed to Leased Premises shall, upon expiration or termination of this Lease, become Government property.

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8.2 Lessee shall provide Government with prior written notification and a full description of all proposed Work on Leased Premises, including: information required by Government to comply with the National Environmental Policy Act (NEPA) and the National Historical Preservation Act, a projected schedule and cost thereof, and an analysis as to how and why such Work will or will not be visible from the exterior of the building situated on Leased Premises or be substantially likely to adversely affect the environmental clean up of Leased Premises, human health, or the environment, or adversely impact the building structure. Such written notification shall be delivered by Lessee to Government's representative as designated in Paragraph 19 of this Lease.

8.3 Except as provided in Paragraph 8.1, upon termination, revocation or surrender of this Lease or any sublease, Lessee shall, at the option of the Government, either:

8.3.1 Promptly remove all Work and restore Leased Premises to the same or as good condition as existed on the date of entry under this Lease, reasonable wear and tear and acts of God excepted; or

8.3.2 Abandon such work in place, at which time title to said Work shall vest in Government.

8.3.3 In either event all personal property and trade fixtures of Lessee or any third-person may be removed and Lessee shall repair any damages to Leased Premises resulting from such removal.

9. ACCESS BY GOVERNMENT:

In addition to access required under Paragraph 13, at all reasonable times throughout the term of this Lease, Government shall be allowed access to Leased Premises for any purposes upon notice to Lessee. Government normally will give Lessee or any sublessee twenty-four (24) hour prior notice of its intention to enter Leased Premises, unless it determines the entry is required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against Government or any officer, agent, employee, contractor or subcontractor of Government. All keys to the buildings and facilities occupied by Lessee or any sublessee shall be made available to Government upon request.

10. UTILITIES AND SERVICES:

Procurement of utilities, i.e., electricity, water, gas, steam, sewer, telephone and trash removal will be the responsibility of Lessee. Lessee agrees to obtain needed utility services from any private or municipal supplier who should, during the term of Lease, become able to deliver such services to Leased Premises. In the event that Government shall furnish Lessee with any utilities or services maintained by Government which Lessee may require in connection with its use of Leased Premises, Lessee shall pay Government the cost incurred in providing such utilities or services in addition to the consideration, required under this Lease as outlined in

Exhibit E to the Lease. Such charges will be determined by Government in accordance with applicable laws and regulations. Lessee, at its sole cost, shall install metering devices for utilities serving the Leased Premises prior to its occupancy. The volume of utilities used by Lessee shall be determined by such metering devices. It is expressly agreed and understood that Government in no way warrants the continued availability, maintenance or adequacy of any utilities or services furnished to Lessee.

11. NON-INTERFERENCE WITH GOVERNMENT OPERATIONS:

Lessee shall not conduct operations or make any alterations that would interfere with or otherwise restrict operations, environmental clean-up or restoration actions by Navy, Environmental Protection Agency (EPA), State environmental regulators, or their contractors. Environmental clean-up, restoration or testing activities by these parties shall take priority over Lessee's use of Leased Premises in the event of any conflict. However, Government and Lessee agree to coordinate to minimize potential conflicts between necessary remediation of environmental contamination, including investigation and remedial actions, and Lessee's and sublessee's use of Leased Premises.

12. PROTECTION AND MAINTENANCE SERVICES:

12.1 Lessee shall furnish all labor, supervision, materials, supplies and equipment necessary for the operation, maintenance and repair of the following building systems and appurtenances: structural (including roof); fencing; plumbing; electrical; heating and cooling systems; exterior utility systems (including fire hydrants and mains); pavement and grounds maintenance (including grass cutting, shrub trimming and tree removal); pest and weed control; security and fire protection within Leased Premises; refuse collection, removal and disposal; and utilities maintenance necessary for the protection of Leased Premises. Government shall not be required to furnish any services or facilities to Lessee or to make any repair or alteration in or to Leased Premises. Lessee hereby assumes the full and sole responsibility for the protection, maintenance and repair of Leased Premises as set forth in this paragraph. For specifics as to such protection and maintenance required to be provided by Lessee hereunder, the following provisions shall apply:

12.1.1 The degree of maintenance and repair services to be furnished by Lessee hereunder shall be that which is sufficient to assure weather tightness, structural stability (excluding any seismic retrofit and/or modification to foundations resulting from extraordinary natural occurrences such as earthquakes and landslides), protection from fire hazards or erosion, and elimination of safety and health hazards, which arise during the term of the Lease and which are not caused by the actions of Government or its employees, contractors or agents, so that the Leased Premises being serviced will remain in the condition in which they existed at the commencement of the Lease as documented in the Joint Inspection and Inventory Report prepared pursuant to Paragraph 6, ordinary wear and tear and acts of God excepted. This does not apply to any pre-existing defective conditions (exclusive of safety and/or health hazards) of

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the Leased Premises which were identified in the Joint Inspection and Inventory Report. Any repair to correct such pre-existing defective conditions shall be at Lessee's option and expense. Government, upon due notice, may inspect Leased Premises to ensure performance of the maintenance set forth herein.

12.2 During the term of this Lease, debris, trash and other useless materials shall be promptly removed from Leased Premises. Upon termination or expiration of this Lease, Leased Premises shall be left without containers, Lessee's equipment, and other undesirable materials, and in an acceptably clean condition.

12.3 Lessee shall provide or cause to be provided all security services necessary to assure security and safety within the Leased Premises. Any crimes or other offenses, including traffic offenses and crimes and offenses involving damage to or theft of Government property, shall be reported to the appropriate authorities for their investigation and disposition and to Government as property owner.

12.4 Lessee shall take or cause to be taken, all reasonable and necessary fire protection precautions at Leased Premises. Such precautions shall include, but are not limited to, maintenance of any sprinkler system that exists on the effective date of this Lease and/or the provision of portable fire extinguishers for fire protection of Leased Premises.

12.5 Lessee is responsible for the repair and maintenance of all interior utility systems and those exterior utility systems, distribution lines, connections and equipment which solely support Leased Premises. This responsibility extends from Leased Premises to the point of connection with the utility system which serves users other than Lessee. These systems include but are not limited to: heating plants, steam lines, traps, transformers, substations, power distribution lines (overhead and underground), poles, towers, gas mains, water and sewage mains, water tanks, fire protection systems, hydrants, lift stations, manholes, isolation valves, meters, storm water systems and catch basins.

12.6 Lessee shall ensure only trained and qualified persons are utilized in performance of the maintenance and protection services specified in this paragraph.

13. ENVIRONMENTAL PROTECTION PROVISIONS:

13.1 Lessee, sublessees and contractors shall comply with all applicable Federal, State and local laws, regulations and standards that are or may become applicable to Lessee's activities on Leased Premises.

13.2 The Lessee or any sublessee shall be solely responsible for obtaining at its cost and expense any environmental permits required for its operations under the Lease, independent of any existing permits held by the Government. Any and all environmental permits required for any of Lessee's or sublessee's operations or activities will be subject to prior concurrence of Government. Lessee acknowledges that the Government will not consent to being named a

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secondary discharger or co-permitted for any operations or activities of the Lessee or any sublessee under the Lease. In the event the Government is named as a secondary discharger or co-permitted for any activity or operation of the Lessee or any sublessee, Government shall have the right to take reasonable actions necessary to prevent, suspend, or terminate such activity or operation, including terminating this Lease, without liability or penalty.

13.3 Government's rights under this Lease specifically include the right for Government officials to inspect upon reasonable notice Leased Premises for compliance with environmental, safety and occupational health laws and regulations, whether or not Government is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Government normally will give Lessee or sublessee twenty-four (24) hours prior notice of its intention to enter Leased Premises unless it determines the entry is required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against the United States or any officer, agent, employee, contractor or subcontractor thereof.

13.4 If acknowledged in Addendum (a) that the former Naval Station, Treasure Island has been identified as a National Priorities List (NPL) Site under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) of 1980, as amended, lessee acknowledges that Government has provided it with a copy of the installation Federal Facility Agreement (FFA) entered into by the United States Environmental Protection Agency (EPA) Region, the State equivalent, and the Military Department. Government will provide Lessee with a copy of any amendments thereto. Lessee agrees that should any conflict arise between the terms of such agreement as it presently exists or may be amended ("FFA," "Interagency Agreement" or "IAG") and the provisions of this Lease, the terms of the FFA or IAG will take precedence. Lessee further agrees that notwithstanding any other provision of this Lease, Government assumes no liability to Lessee or its sublessees or licensees should implementation of the FFA interfere with Lessee's or any sublessee's and licensee's use of Leased Premises. Lessee shall have no claim on account of any such interference against the United States or officer, agent, employee, contractor or subcontractor thereof, other than for abatement of rent, where applicable.

13.5 Government, EPA (for NPL sites) and the State (for non-NPL sites) and their officers, agents, employees, contractors and subcontractors, have the right, upon reasonable notice to Lessee and/or any sublessee, to enter upon Leased Premises for the purposes enumerated in this subparagraph and for such other purposes consistent with any provisions of the cleanup program (including but not limited to the BRAC Cleanup Plan, IRP, FFA, or IAG):

13.5.1 to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the cleanup program;

13.5.2 to inspect field activities of Government and its contractors and subcontractors in implementing the cleanup program;

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13.5.3 to conduct any test or survey required by EPA or applicable State equivalent relating to the implementation of the cleanup program;

13.5.4 to construct, operate, maintain or undertake any other response or remedial action as required or necessary under the cleanup program, including but not limited to monitoring wells, pumping wells and treatment facilities.

13.6 Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or the FFA during the course of any of the above described response or remedial actions. Any inspection, survey, investigation or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by Lessee and any sublessee. Lessee and sublessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor or subcontractor thereof. In addition, Lessee shall comply with all applicable Federal, State and local occupational safety and health regulations.

13.7 Lessee further agrees that in the event of any sublease of Leased Premises, Lessee shall provide to EPA and applicable state equivalent by certified mail a copy of the agreement or sublease of Leased Premises (as the case may be) within fourteen (14) calendar days after the effective date of such transaction. Lessee may delete the financial terms and any other proprietary information from the copy of any agreement of sublease furnished pursuant to this condition.

13.8 Lessee shall strictly comply with the hazardous waste permit requirements under the Resource Conservation and Recovery Act or its applicable State equivalent. Except as specifically authorized by Government in writing, Lessee must provide at its own expense such hazardous waste management facilities complying with all laws and regulations. Government hazardous waste management facilities will not be available to Lessee. Any violation of the requirements of this condition shall be deemed a material breach of this Lease.

13.9 DOD component accumulation points for hazardous and other waste will not be used by Lessee or any sublessee. Neither will Lessee or sublessee permit its hazardous wastes to be commingled with hazardous waste of DOD Component.

13.10 Lessee shall have a Government-approved plan for responding to hazardous waste, fuel and other chemical spills prior to commencement of operations on Leased Premises. Such plan shall be independent of the Naval Station plan and, except for initial fire response and/or spill containment, shall not rely on use of Naval Station personnel or equipment. Should Government provide any personnel or equipment whether for initial fire response and/or spill containment, or otherwise on request of Lessee, or because Lessee was not, in the opinion of Government, conducting timely cleanup actions, Lessee agrees to reimburse Government for its costs in association with such response or cleanup.

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13.11 Lessee shall not conduct or permit its sublessees to conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Government.

13.12 Lessee shall strictly comply with the hazardous waste permit requirements under the Resource Conservation and Recovery Act (RCRA) or its State equivalent and any other applicable laws, rules or regulations. Lessee must provide at its own expense such hazardous waste storage facilities which comply with all laws and regulations as it may need for such storage. Any violation of the requirements of this provision shall be deemed a material breach of this Lease.

13.13 To the extent required by law and regulation, Government shall abate, remove or otherwise remedy all friable, accessible and damaged asbestos containing material (ACM), lead based paint (LBP) and polychlorinated biphenyls (PCBs) from Leased Premises. The presence of known ACM, LBP or PCBs shall be fully identified in the Environmental Baseline Survey (EBS) and/or Supplemental Environmental Baseline Survey (SEBS), attached as Exhibit D.

13.13.1 Except as provided in Paragraph 13.13.2, Government is not responsible for any removal or containment of ACM, LBP or PCBs. If Lessee intends to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated into the plans and specifications and submitted to Government. The asbestos disposal plan will identify the proposed disposal site for the asbestos, or in the event the site has not been identified, will provide for disposal at a licensed facility authorized to receive it.

13.13.2 Government shall be responsible for the removal or containment of ACM identified as requiring abatement shown in Exhibit G, attached hereto and made a part of this Lease, referred to herein as damaged or deteriorated ACM. Government agrees to abate these listed items of damaged or deteriorated ACM. Government may choose the most economical means of abating any damaged or deteriorated ACM, which may include removal, repair or containment (encapsulation) or a combination of removal, repair and containment. The foregoing obligation of Government does not apply to any ACM other than that identified in Exhibit G. ACM which during the period of this lease becomes damaged or deteriorated through the passage of time, as the result of a natural disaster or as a consequence of Lessee's activities under this Lease, including but not limited to any emergency, will be abated by Lessee at its sole cost and expense. Notwithstanding Paragraph 13.13.1 above, in an emergency, Lessee will notify Government as soon as practicable of its emergency ACM responses. Lessee shall be responsible for monitoring the condition of existing ACM on Leased Premises for deterioration or damage and accomplishing repairs or abatement pursuant to the applicable conditions of this Lease.

13.14 Lessee shall indemnify and hold harmless Government from any costs, expenses, liabilities, fines or penalties resulting from discharges, emissions, spills, storage or disposal arising from Lessee's occupancy, use or operations, or any other action by Lessee or any sublessee giving rise to Government liability, civil or criminal, or any other action by Lessee or

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any sublessee giving rise or responsibility under Federal, state or local environmental laws. Lessee's obligations hereunder shall apply whenever Government incurs costs or liabilities for Lessee's activities or activities of any sublessee as provided hereunder. This provision shall survive the expiration or termination of this Lease.

13.15 The responsibility of the Government to indemnify and hold harmless the Lessee and any sublessees against toxic torts and other environmental claims shall be in accordance with Public Law 102-484, Section 330, as amended.

14. TERMINATION:

14.1 Government shall have the right to terminate this Lease, in whole or in part, without liability, upon thirty (30) calendar days notice:

14.1.1 In the event of a national emergency as declared by the President or the Congress of the United States; or

14.1.2 In the event of breach by Lessee of any terms and conditions hereof. In the event of a breach involving the performance of any obligation, Lessee shall be afforded thirty (30) calendar days from the receipt of Government's notice of intent to terminate to complete the performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease, unless Government determines that a shorter period is required for safety, environmental, operations or security purposes. In the event that Government shall elect to terminate this Lease on account of the breach by Lessee of any of the terms and conditions, Government shall be entitled to recover and Lessee shall pay to Government:

14.1.2(a) The costs incurred in reacquiring possession of the Leased Premises.

14.1.2(b) The costs incurred in performing any obligation on the part of Lessee to be performed hereunder.

14.1.2(c) An amount equal to the aggregate of any maintenance obligations and charges assumed hereunder and not paid or satisfied, which amounts shall be due and payable at the time when such obligations and charges would have accrued or become due and payable under this Lease.

14.1.3 Upon the Government making a final decision on disposal of the Leased Premises that is inconsistent with continued use thereof by Lessee under this Lease.

14.2 Lessee shall have the right to terminate this Lease upon thirty (30) calendar days written notice to Government in the event of breach by Government of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Government shall be afforded sixty (60) calendar days from the receipt of Lessee's notice of

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intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease. Lessee shall also have the right to terminate this Lease in the event of damage to or destruction of all of the improvements on Leased Premises or such a substantial portion thereof as to render Leased Premises incapable of use for the purposes for which it is leased hereunder, provided:

14.2.1 Government either has not authorized or directed the repair, rebuilding or replacement of the improvements or has made no provision for payment for such repair, rebuilding or replacement by application of insurance proceeds or otherwise; and

14.2.2 That such damage or destruction was not occasioned by the fault or negligence of Lessee or any of its officers, agents, servants, employees, sublessees, licensees or invitees, or by any failure or refusal on the part of Lessee to fully perform its obligations under this Lease.

14.2.3 If Government requires Lessee to vacate all or a substantial portion of Leased Premises pursuant to Paragraph 15 of this Lease for a period in excess of thirty (30) calendar days, Lessee may terminate this Lease by written notice to Government given at any time while Lessee shall continue to be denied use of all or a substantial portion of Leased Premises. Lessee shall thereafter surrender possession of Leased Premises within fifteen (15) calendar days of such notice.

15. ENVIRONMENTAL CONTAMINATION:

In the event environmental contamination is discovered on Leased Premises which creates, in Government's determination, an imminent and substantial endangerment to human health or the environment which necessitates evacuation of Leased Premises, and notwithstanding any other termination rights and procedures contained in this Lease, Lessee shall vacate or require any sublessee to vacate Leased Premises immediately upon notice from Government of the existence of such a condition. Exercise of this right by Government shall be without liability, except that Lessee shall not be responsible for the payment of consideration, the amount of deduction to be determined on a daily pro-rata basis, during the period Leased Premises is vacated. Government's exercise of this right herein to order the Leased Premises immediately vacated does not alone constitute a termination of the Lease, but such right may be exercised in conjunction with any other termination rights provided in this Lease or by law.

16. NON-ENVIRONMENTAL INDEMNIFICATION BY LESSEE:

Lessee shall indemnify, defend, and save Government harmless and shall pay all costs, expenses and reasonable attorney's fees for all trial and appellate levels and post judgment proceedings in connection with any fines, suits, actions, damages, liability, causes of action of every nature whatsoever arising or growing out of, or in any manner connected with, the occupation or use of the Leased Premises by Lessee and the employees, agents, servants, guests, invitees, contractors and sublessees of Lessee. These include, but are not limited to, any fines,

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claims, demands and causes of action of every nature whatsoever which may be made upon, sustained or incurred by Government by reason of any breach, violation, omission or non-performance of any term, covenant or condition hereof on the part of Lessee or the employees, agents, servants, guests, invitees and sublessees of Lessee. This indemnification also applies to claims arising out of the furnishing of any utilities or services by Government or any interruption therein or failure thereof, whether or not the same shall be occasioned by the negligence or lack of diligence of Lessee, its officers, agents, servants, employees or sublessees. However, this indemnity shall not extend to damages due to the sole fault or negligence of Government or its contractors. This covenant shall survive the termination of this Lease.

17. INSURANCE:

17.1 At the commencement of this Lease, Lessee shall obtain, from a reputable insurance company or companies, comprehensive general liability insurance. The insurance shall provide an amount not less than the minimum combined single limit described in Addendum (a) for any number of persons or claims arising from any one incident with respect to bodily injuries or death resulting therefrom, property damage or both, suffered or alleged to have been suffered by any person or persons resulting from the operations of Lessee, sublessees, contractors and invitees under the terms of this Lease. Lessee shall require its insurance company to furnish Government a copy of the policy or policies, or if acceptable to Government, certificates of insurance evidencing the purchase of such insurance. The minimum amount of liability insurance coverage is subject to revision by Government every three years or upon renewal or modification of this Lease.

17.2 As to those structures and improvements on Leased Premises constructed by or owned by Government, Lessee shall procure and maintain at Lessee's cost a standard fire and extended coverage insurance policy or policies on Leased Premises in an amount not less than that described in Addendum (a) to demolish damaged or destroyed structures and improvements, remove debris, and clear the Leased Premises. Lessee shall procure such insurance from a reputable company or companies. The insurance policy shall provide that in the event of loss thereunder, the proceeds of the policy or policies, at the election of Government, shall be payable to Lessee to be used solely for the demolition of damaged or destroyed structures and improvements, removal of debris and clearance of the Leased Premises or for repair, restoration, or replacement of the property damaged or destroyed. Any balance of the proceeds not required for such purposes shall be paid to Government. If Government does not elect, by notice in writing to the insurer within thirty (30) calendar days after the damage or destruction occurs, to have the proceeds paid to Lessee for the purposes herein above set forth, then such proceeds shall be paid to Government, provided however that the insurer, after payment of any proceeds to Lessee in accordance with the provision of the policy or policies, shall have no obligation or liability with respect to the use or disposition of the proceeds by Lessee. Nothing herein contained shall be construed as an obligation upon Government to repair, restore or replace Leased Premises or any part thereof.

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17.3 If and to the extent required by law, Lessee shall provide workmen's compensation or similar insurance in form and amounts required by law.

17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance, in the amount described in Addendum (a).

17.4.2 Workman's compensation or similar insurance in form and amounts required by law.

17.5 All insurance which this Lease requires Lessee or sublessee to carry and maintain or cause to be carried or maintained shall be in such form, for such periods of time, and with such insurers as Government may reasonably require or approve. All policies or certificates issued by the respective insurers for public liability and property insurance will name Government as an additional insured, provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Lessee or Government or any other person, provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) calendar days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against Government; and be reasonably satisfactory to Government in all other respects. In no circumstances will Lessee be entitled to assign to any third party, rights of action which Lessee may have against Government.

Lessee and sublessees shall deliver or cause to be delivered promptly to Government a certificate of insurance evidencing the insurance required by this Lease and shall also deliver prior to expiration of any such policy, a certificate of insurance evidencing each renewal policy covering the same risks.

18. LABOR PROVISION:

During the term of this Lease, Lessee agrees as follows:

18.1 Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Lessee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by Government setting forth the provisions of this nondiscrimination clause.

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18.1.1 Lessee shall, in all solicitations or advertisements for employees placed at Leased Premises by or on behalf of Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

18.1.2 Lessee shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by Government, advising the labor union or worker's representative of Lessee's commitments under this equal opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

18.1.3 Lessee shall comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor.

18.1.4 Lessee shall furnish all information and reports required by Executive order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records and accounts by Government and the Secretary of Labor for purposes of investigating to ascertain compliance with such rules, regulations and orders.

18.1.5 In the event of Lessee's noncompliance with the equal opportunity clause of this Lease or with any of said rules, regulations or orders, this lease may be canceled, terminated or suspended in whole or in part and Lessee may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation or order of the Secretary of Labor, or otherwise provided by law.

18.1.6 Lessee will include the above provisions in every sublease unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each sublessee. Lessee will take such action with respect to any sublessee as Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Lessee becomes involved, or is threatened with litigation with sublessee as a result of such direction by Government, Lessee may request the United States to enter into such litigation to protect the interest of the United States.

18.2 This Lease, to the extent that it is a contract of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) and is not covered by the Walsh-Healy Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and exceptions of said Contract Work Hours and Safety Standards Act and to all other provisions and exceptions of said law.

18.2.1 Lessee shall not require or permit any laborer or mechanic in any workweek in which he is employed on any work under this Lease to work in excess of 40 hours in such work week on work subject to the provisions of the Contract Work Hours and Safety Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 40 hours in such work week. The "basic rate of pay", as used in this clause, shall be the amount paid per hour, exclusive of Lessee's contribution or cost for fringe benefits and any cash payment made in lieu of providing fringe benefits or the basic hourly rate contained in the wage determination, whichever is greater.

18.2.2 In the event of any violation of the provision of Paragraph 18.2.1, Lessee shall be liable to any affected employee for any amounts due, and to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph 18.2.1 in the sum of ten \$10.00 for each calendar day on which such employee was required or permitted to be employed on such work in excess of the standard work week of 40 hours without payment of the overtime wages required by Paragraph 18.2.1.

18.3 In connection with the performance of work required by this Lease, Lessee agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

19. SUBMISSION OF NOTICES:

Notices shall be sufficient under this Lease if made in writing and to the addressees as described in Addendum (a). Copies of all such notices provided to Lessee's representative identified above shall also be furnished to the additional addressees described in Addendum (a). The individuals so designated in Addendum (a) shall be the representatives of the parties and the points of contact during the period of this Lease.

20. AUDIT:

This Lease shall be subject to audit by any and all cognizant Government agencies. Lessee shall make available to such agencies for use in connection with such audits all records which it maintains with respect to this Lease and copies of all reports required to be filed hereunder.

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21. AGREEMENT:

This Lease shall not be modified unless in writing and signed by both parties. No oral statements or representation made by, for or on behalf of either party shall be a part of this Lease. Should a conflict arise between the provisions of this Lease and any exhibit hereto, or any other agreement between Government and Lessee, the provisions of this Lease shall take precedence.

22. FAILURE TO INSIST ON COMPLIANCE:

The failure of Government to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or relinquishment of Government's right to the future performance of any such terms, covenants or conditions and Lessee's obligations in respect to such future performance shall continue in full force and effect.

23. DISPUTES:

23.1 This lease is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613) (the Act).

23.2 Except as provided in the Act, all disputes arising under or relating to this lease shall be resolved under this clause.

23.3 "Claim", as used in this clause, means a written demand or written assertion by Lessee or Government seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of lease terms, or other relief arising under or relating to this Lease. A claim arising under this Lease, unlike a claim relating to this Lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the claimant. However, a written demand or written assertion by Lessee seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph 23.4 below. A voucher, invoice or other routine request for payment that is not in dispute when submitted, is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time. "Command" used in this clause means the Command described in Addendum (a).

23.4 A claim by Lessee shall be made in writing and submitted within six (6) years after accrual of the claim, to the Command, for a written decision. A claim by the Government against Lessee shall be subject to a written decision by the Command.

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23.4.1 Lessee shall provide the certification specified in subparagraph 23.4.3 of this clause when submitting any claim:

- (a) Exceeding \$100,000; or
- (b) Regardless of the amount claimed, when using:
 - (1) Arbitration conducted pursuant to 5 U.S.C. 575-580; or
 - (2) Any other alternative means of dispute resolution (ADR)

technique that the agency elects to use in accordance with the Administrative Dispute Resolution Act (ADRA).

23.4.2 The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

23.4.3 The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which Lessee believes Government is liable; and that I am duly authorized to certify the claim on behalf of Lessee."

23.4.4 The certification may be executed by any person duly authorized to bind Lessee with respect to the claim.

23.5 For Lessee claims of \$100,000 or less, the Command, must, if requested in writing by Lessee, render a decision within 60 calendar days of the request. For Lessee-certified claims over \$100,000, the Command, must, within 60 calendar days, decide the claim or notify Lessee of the date by which the decision will be made.

23.6 The Command's, decision shall be final unless Lessee appeals or files a suit as provided in the Act.

23.7 At the time a claim by the Lessee is submitted to Command or a claim by Government is presented to Lessee, the parties, by mutual consent, may agree to use ADR. When using arbitration conducted pursuant to 5 U.S.C. 575-580, or when using any other ADR technique that the agency elects to employ in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in Paragraph 23.4.3 of this clause, and executed in accordance with Paragraph 23.4.4 of this clause.

23.8 Government shall pay interest on the amount found due and unpaid by Government from (1) the date the Command receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the

All correspondence in connection with this
contract should include reference to:

N6247400R P41 B03

date that the Command initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury, as provided in the Act, which is applicable to the period during which the Command receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

23.9 Lessee shall proceed diligently with the performance of Lease, pending final resolution of any request for relief, claim, appeal or action arising under Lease, and comply with any decision of the Command.

24. COVENANT AGAINST CONTINGENT FEES:

Lessee warrants that no person or agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Lessee for the purpose of securing business. For breach or violation of this warranty, Government shall have the right to annul this Lease without liability or in its discretion, to require Lessee to pay, in addition to the rental or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

25. OFFICIALS NOT TO BENEFIT:

No member of or delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this Lease or to any benefit to arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

26. LIENS:

Lessee shall promptly discharge or cause to be discharged any valid lien, right in rem, claim or demand of any kind, except one in favor of Government, which at any time may arise or exist with respect to the Leased Property or materials or equipment furnished therefor, or any part thereof, and if the same shall not be promptly discharged by Lessee, or should Lessee or sublessee be declared bankrupt or make an assignment on behalf of creditors, or should the leasehold estate be taken by execution, Government reserves the right to take immediate possession without any liability to Lessee or any sublessee. Lessee and any sublessee shall be responsible for any costs incurred by Government in securing clear title to its property.

27 TAXES:

Lessee shall pay to the proper authority, when and as the same become due and payable, all taxes, assessments and similar charges which, at any time during the term of this Lease, may be imposed upon Lessee with respect to Leased Premises. Title 10 United States Code, Section

2667(e) contains the consent of Congress to the Taxation of Lessee's interest in Leased Premises, whether or not the Leased Premises are in an area of exclusive federal jurisdiction. Should Congress consent to taxation of Government's interest in the property, this Lease will be renegotiated.

28. SUBJECT TO EXISTING AND FUTURE EASEMENTS AND RIGHTS- OF-WAY:

This Lease is subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in and upon Leased Premises or any portion thereof and to the right of Government to grant such additional easements and rights-of-way over, across, in and upon Leased Premises as it shall determine to be in the public interest; provided that any such additional easement or right-of-way shall be conditioned on the assumption by the grantee thereof of liability to Lessee for such damages as Lessee shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights-of-way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any Federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over Leased Premises as shall be necessary for the performance of their duties with regard to such facilities.

29. INGRESS-EGRESS AND PARKING:

Lessee and any sublessees will be granted reasonable access to Leased Premises under this Lease. Such access will be coordinated with Government. As a condition, Lessee and any sublessees agree to adhere to all base rules and regulations regarding installation security, ingress, egress, safety and sanitation as may be prescribed from time to time by Government. Parking will be coordinated with Government.

30. ADMINISTRATION:

Except as otherwise provided for under this Lease, Government shall, under the direction of the Command described in addendum (a), have complete charge of the administration of this Lease, and shall exercise full supervision and general direction thereof insofar as the interests of Government are affected.

31. SURRENDER:

Upon the expiration of this Lease or its prior termination, Lessee shall quietly and peacefully remove itself and its property from Leased Premises and surrender the possession thereof to Government. Government may, in its discretion, declare any property which has not been removed from Leased Premises upon expiration or termination provided for above, as abandoned property upon an additional 30 calendar days notice.

32. INTEREST:

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32.1 Notwithstanding any other provision of this Lease, unless paid within thirty (30) calendar days, all amounts that become payable by Lessee to Government under this Lease (net any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due. The rate of interest will be the Current Value of Funds rate published by the Secretary of Treasury pursuant to 31 U.S.C. 3717 (Debt Collection Act of 1982).

32.1.1 Amounts shall be due upon the earliest of:

32.1.1(a) the date fixed pursuant to this Lease,

32.1.1(b) the date of the first written demand for payment, consistent with this Lease, including demand consequent upon default termination,

32.1.1(c) the date of transmittal by Government to Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount,

32.1.1(d) if this Lease provides for revision of prices, the date of written notice to Lessee stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by Lease supplement.

33. AVAILABILITY OF FUNDS:

The Government's obligations under this Lease are subject to the availability of funds appropriated for such purposes. Nothing in this Lease shall be interpreted to require obligations or payments by Government which are in violation of the Anti-Deficiency Act (31 USC 1341).

34. APPLICABLE RULES AND REGULATIONS:

Lessee and any Sublessees shall comply with all Federal, State and local laws, regulations and standards that are applicable or may become applicable to Lessee's or Sublessee' activities on the Leased Premises. These include, but are not limited to, laws and regulations on the environment, construction of facilities, health, safety, food service, water supply, sanitation, use of pesticides, and licenses or permits to do business. Lessee and any Sublessee are responsible for obtaining and paying for permits required for its operations under the Lease.

35. SPECIAL PROVISIONS:

Special provisions are set forth in Addendum (a).

36. EXHIBITS:

The list of Exhibits is set forth in Addendum (a).

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IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below duly executed this Lease as of the day and year first above written.

WITNESS

THE UNITED STATES OF AMERICA

John S. Dugan

By: Beverly Keister BEVERLY

Date: 1-4-2000

BEVERLY FREITAS
BRAC REAL ESTATE
REAL ESTATE CONTRACTING OFFICER

TREASURE ISLAND DEVELOPMENT
AUTHORITY

By: ANNEMARIE CORROY
Executive Director
Treasure Island Development
Authority Project

Title: /

Date: 11-30-99

APPROVED AS TO FORM

MELISSA L. COLE
CITY ATTORNEY

All correspondence in connection with this
contract should include reference to:

Addendum (a) to Less Than Fair Market Value Interim Lease Between
The United States of America
and
Treasure Island Development Authority

For the purpose of this lease, the following shall apply:

PARAGRAPH 1 - LEASED PREMISES

Leased Premises shall refer to: All the premises as shown on Exhibits A-1 and A-2, approximately 12,125 square feet (.28 acres).

PARAGRAPH 2 - TERM

The term of this lease shall be for:

Six (6) Months, beginning 1 February 2000 and ending 31 July 2000

PARAGRAPH 3 - CONSIDERATION

Common services charges are as follows:

0.025 per square foot per month of occupied building space (1) used or occupied by Lessee; or (2) subleased by Lessee to another;

0.003 per square foot per month of land area (1) used or occupied by Lessee; (2) subleased by Lessee to another

PARAGRAPH 4 - USE OF LEASED PREMISES

Leased premises shall be used for the following purpose: Telecommunication cell sites.

PARAGRAPH 13 - ENVIRONMENTAL PROTECTION PROVISION

13.4 Government acknowledges that the former Naval Station, Treasure Island has NOT been identified as a National Priorities List (NPL) Site under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) of 1980, as amended.

PARAGRAPH 17 INSURANCE

17.1 Comprehensive general liability insurance shall provide coverage in an amount not less than a minimum combined single limit of \$3,000,000.

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17.2 Fire and extended liability insurance coverage shall be provided in the amount of \$5,000,000.

17.4.1 Comprehensive general liability insurance shall provide coverage in an amount not less than \$1,000,000 per occurrence with respect to personal injury or death, and \$1,000,000 per occurrence with respect to property damage.

PARAGRAPH 19 - SUBMISSION OF NOTICES

Lessee: City and County of San Francisco
Ms. Annemarie Conroy
San Francisco Mayor's Office
Treasure Island Project
410 Palm Ave. Bldg. 1, Room 237
Treasure Island
San Francisco, CA 94130

Government: Commanding Officer (Code 624)
Engineering Field Activity – West (Bldg. 208/2)
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, CA 94066-5000

PARAGRAPH 23 (DISPUTES) AND 30 (ADMINISTRATION)

For the purposes of Paragraphs 23 and 30, the "Command" shall refer to:

Commanding Officer
Engineering Field Activity – West
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, CA 94066-5000

PARAGRAPH 35 - SPECIAL PROVISIONS

1. The Caretaker Site Office, Treasure Island, must approve all work in connection with improvements/alterations made to the leased property prior to commencement of work to ensure protection of human health and the environment. Point of contact, LCDR Gough, (415) 743-4720.
2. Lessee or its sublessee is prohibited from excavating, drilling or other ground-distributing activity without prior written consent and oversight of the Navy, except for routine landscaping activities.

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3. Lessee or its sublessee must submit a ONE-TIME EXCAVATION PERMIT REQUEST to the Navy Caretaker Site Office (CSO) Treasure Island, Building 1, Treasure Island Navy Utilities Manager, (415) 743-4708 or Mr. Chuck Swanson, San Francisco Public Utilities Commission (415) 274-0333. Excavation permits can only be granted where each excavation location is identified on a map.
4. Lessee or its sublessee is required to return all excavated soils to the original excavation hole. Excess soils not returned to the hole shall not be redistributed on or removed from the site until tested for lead content if the surface is unpaved.
5. Lessee or its sublessee is prohibited from installing groundwater wells, or otherwise using on the leased premises.
6. Lessee or its sublessee shall be financially responsible for repairing any damage done to any existing or future groundwater monitoring wells.
7. Lessee or its sublessee shall not interfere with the ongoing Installation Restoration and other environmental program activities.
8. Lessee or its sublessee is prohibited from using the leased property for the treatment or disposal of toxic or hazardous material, which includes material of a flammable, explosive or pyrotechnic nature.
9. Lessee or its sublessee shall be responsible for obtaining all necessary permits and licenses for operation on the leased premises. Any violation of permit conditions will be grounds to require the Lessee or its sublessee to cease operation or possible termination of the lease.
10. Uses by the Lessee or its sublessee are limited to a type and nature described in the Lease document.
11. The Navy and regulatory agencies reserve the right to enter the leased property to conduct investigations and surveys, collect samples, perform remediation, access monitoring wells, or engage in other activities associated with the IR and BRAC programs.
12. Lessee or its sublessee shall conduct routine evaluations of the condition of any existing asbestos contained material (ACM) and comply with all applicable Federal, State and local laws relating to asbestos. Lessee or its sublessee shall be responsible for all costs associated with management or removal of ACM on the leased premises.
13. Lessee or its sublessee is prohibited from using the leased premises for residential habitation.

All correspondence in connection with this
contract should include reference to:

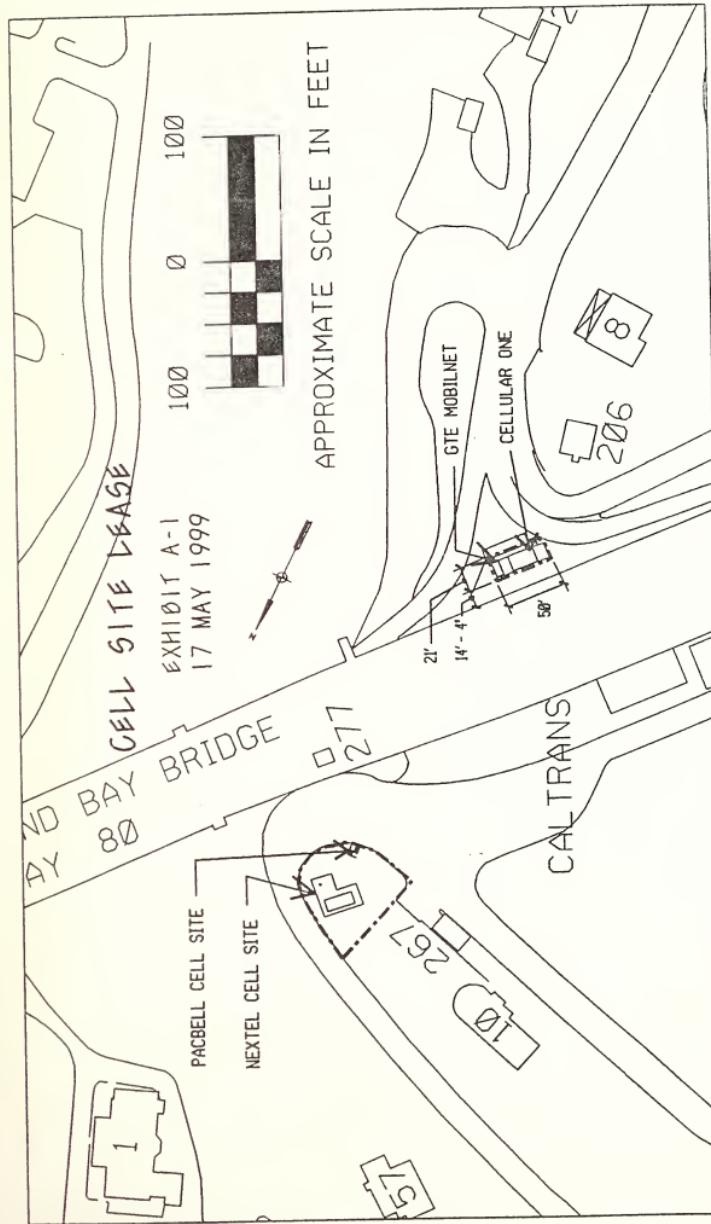
N6247400RP41B03

3. Lessee or its sublessee must submit a ONE-TIME EXCAVATION PERMIT REQUEST to the Navy Caretaker Site Office (CSO) Treasure Island, Building 1, Treasure Island Navy Utilities Manager, (415) 743-4708 or Mr. Chuck Swanson, San Francisco Public Utilities Commission (415) 274-0333. Excavation permits can only be granted where each excavation location is identified on a map.

4. Lessee or its sublessee is required to return all excavated soils to

the site.

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SAN FRANCISCO
INTERSTATE
HIGHWAY 80
OAKLAND

CELL SITE LEASE

EXHIBIT A-2
17 MAY 1999

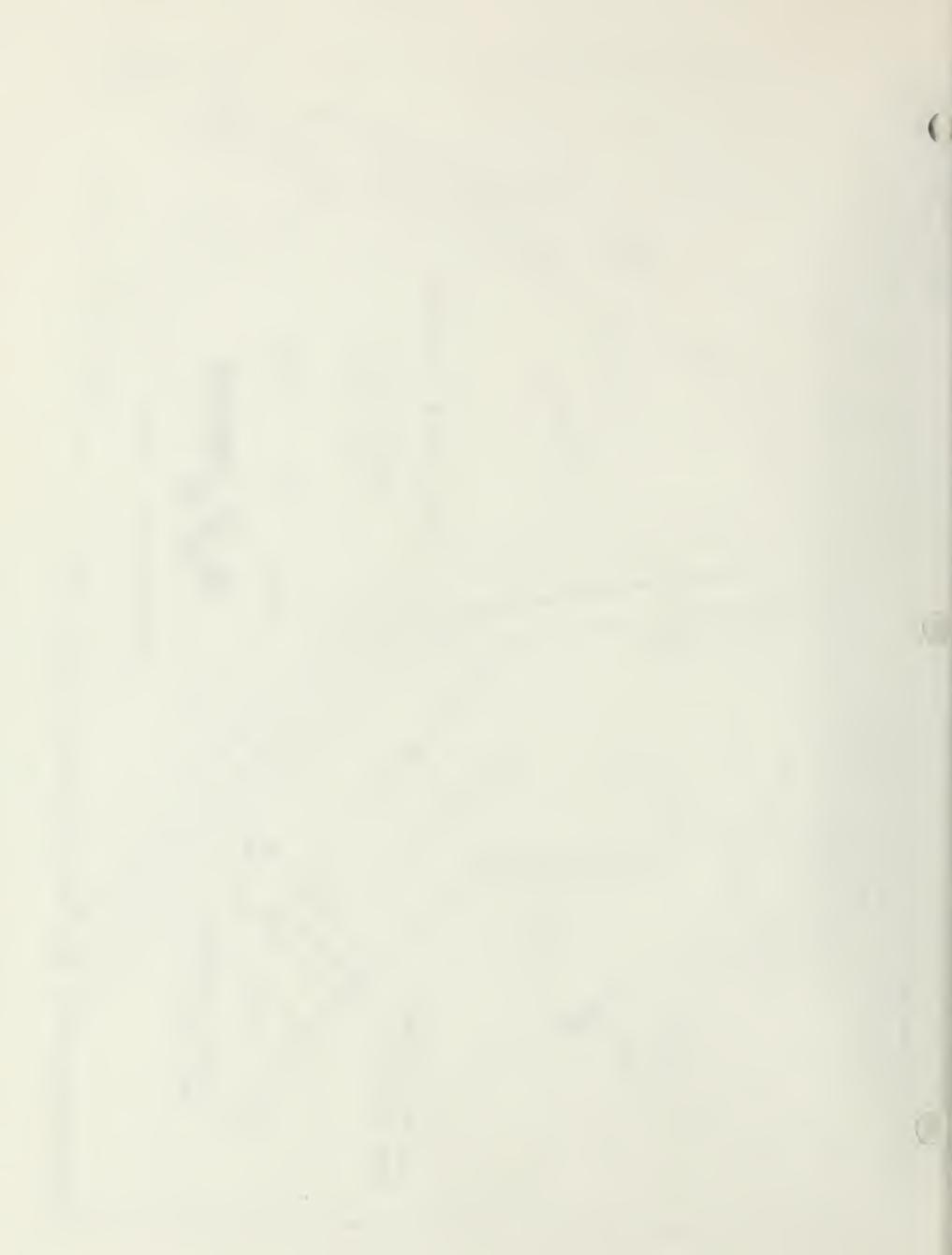
100 0 100



APPROXIMATE SCALE IN FEET

TREASURE

LEASE LIMITS
BLDG.CELLULAR ONE EQUIPMENT
AREA (12' x 15')CELLULAR ONE ANTENNA
AREA (14' x 8')



Notes

Handwriting practice lines for notes.

STAFF SUMMARY OF AGENDA ITEM 8
2012 Olympics MOU

The Bay Area Sports Organizing Committee ("BASOC") is a non-profit organization formed to prepare a bid in connection with the San Francisco Bay Area's effort to host the 2012 summer Olympics Games. Per USOC requirements for submitting an Olympic Bid, BASOC is required to describe potential sites for Olympic events, including evidence of potential site control.

Accordingly, BASOC is entering into a series of memoranda of understanding with governmental and non-governmental entities across the Bay Area regarding the use of potential sites for the 2012 Olympics, a number of which would be in San Francisco. Staff in the Mayor's Office of Economic Development have been working with BASOC with regard to the potential San Francisco venues. Among other sites, BASOC's bid package identifies Treasure Island as a possible venue for the Olympics' sailing and tennis competitions.

City staff have negotiated a draft Memorandum of Understanding (the "MOU") regarding the use of portions of Treasure Island to host the Olympic sailing and tennis competitions on the Base. The MOU contemplates a subsequent License Agreement with more specific terms and conditions when and if suitable venues are identified. The MOU acknowledges that the Authority does not yet own the Base and that the Authority is in the process of soliciting long-term development proposals for the Base. Thus, the Authority's obligations under the MOU are limited to making good faith efforts to cause the events to be held at the Base if and when conveyance occurs and long-term development plans are finalized, and if the Authority determines that hosting such events on the Base is compatible with those long-term reuse plans.

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1 [MOU related to 2012 Olympic Bid]

2 APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A
3 MEMORANDUM OF UNDERSTANDING WITH THE BAY AREA SPORTS ORGANIZING
4 COMMITTEE REGARDING THE USE OF PORTIONS OF TREASURE ISLAND FOR THE
5 SAN FRANCISCO BAY AREA'S BID TO HOST THE 2012 SUMMER OLYMPICS.

6 WHEREAS, On May 2, 1997, the Board of Supervisors passed
7 Resolution No. 380-97, authorizing the Mayor's Treasure Island
8 Project Office to establish a nonprofit public benefit corporation
9 known as the Treasure Island Development Authority (the "Authority")
10 to act as a single entity focused on the planning, redevelopment,
11 reconstruction, rehabilitation, reuse and conversion of former naval
12 station Treasure Island (the "Base") for the public interest,
13 convenience, welfare and common benefit of the inhabitants of the
14 City and County of San Francisco; and,

15 WHEREAS, Under the Treasure Island Conversion Act of 1997,
16 which amended Section 33492.5 of the California Health and Safety
17 Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968
(the "Act"), the California legislature (i) designated the Authority
18 as a redevelopment agency under California redevelopment law with
19 authority over the Base upon approval of the City's Board of
20 Supervisors, and, (ii) with respect to those portions of the Base
21 which are subject to the Tidelands Trust, vested in the Authority the
22 authority to administer the public trust for commerce, navigation and
23 fisheries as to such property; and

24 WHEREAS, The Bay Area Sports Organizing Committee ("BASOC") is a
25 non-profit organization formed to prepare a bid in connection with

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1 the San Francisco Bay Area's effort to host the 2012 summer Olympics
2 Games; and,

3 WHEREAS, In connection with their bids, Olympic organizing
4 committees like BASOC are required to describe potential sites for
5 Olympic events, including evidence of potential site control; and

6 WHEREAS, BASOC is entering into a series of memoranda of
7 understanding with governmental and non-governmental entities
8 regarding the use of potential sites in the San Francisco Bay Area
9 for the 2012 Olympics; and,

10 WHEREAS, Staff in the Mayor's Office of Economic Development
11 have been working with BASOC with regard to the potential San
12 Francisco venues and have identified Treasure Island as a possible
13 venue for the Olympics' sailing and tennis competitions; and,

14 WHEREAS, Attached hereto as Exhibit A is a draft Memorandum of
15 Understanding (the "MOU") regarding the use of Treasure Island to
16 host the Olympic sailing and tennis competitions; and,

17 WHEREAS, the MOU acknowledges that the Authority does not yet
18 own the Base and that the Authority is in the process of soliciting
19 long-term development proposals for the base; and,

20 WHEREAS, In light of the foregoing, the Authority's obligations
21 under the MOU are limited to making good faith efforts to cause the
22 events to be held at the Base, and are subject to the Authority's
23 determination, if and when conveyance occurs and long-term
24 development plans are finalized, that hosting the events on the Base
25 is compatible with such long-term reuse; Now, therefore, be it

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1 RESOLVED, That the Authority hereby approves the MOU and
2 authorizes the Executive Director to enter into on behalf of the
3 Authority the MOU; and, be it

4 FURTHER RESOLVED, That the Authority authorizes the Executive
5 Director to enter into modifications to the MOU (including, without
6 limitation, the attachment of exhibits) that are in the best
7 interests of the Authority and the City, do not materially change the
8 terms of the MOU, and are necessary and advisable to effectuate the
9 purpose and intent of this resolution.

CERTIFICATE OF SECRETARY

12 I hereby certify that I am the duly elected and acting Secretary of
13 the Treasure Island Development Authority, a California nonprofit public
14 benefit corporation, and that the above Resolution was duly adopted and
15 approved by the Board of Directors of the Authority at a properly noticed
meeting on November 8, 2000.

John Elberling, Secretary

MEMORANDUM OF UNDERSTANDING
BETWEEN
BAY AREA SPORTS ORGANIZING COMMITTEE
AND
THE TREASURE ISLAND DEVELOPMENT AUTHORITY

EXHIBIT A



**MEMORANDUM OF UNDERSTANDING
BETWEEN
BAY AREA SPORTS ORGANIZING COMMITTEE
AND
THE TREASURE ISLAND DEVELOPMENT AUTHORITY**

This MEMORANDUM OF UNDERSTANDING ("MOU") is entered into as of _____, 2000 by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California non-profit public benefit corporation ("Licensor") and the BAY AREA SPORTS ORGANIZING COMMITTEE ("BASOC"), a California non-profit corporation ("Licensee"), and sets forth the preliminary terms and conditions pursuant to which the Licensor and Licensee agree that certain portions of former Naval Station Treasure Island (the "Base") may serve as a venue for the following Events to be held during the 2012 Olympic Games (the "Games"): sailing and tennis (together, the "Events"). This MOU and the rights and obligations described herein shall be subject to the terms and conditions set forth in this MOU, as well as the terms and conditions of any subsequent License Agreement (as defined below in Section H of the Recitals).

This MOU further assumes and is expressly conditioned on the selection by the United States Olympic Committee ("USOC") in 2002 of San Francisco as the U.S. Candidate City, and the selection by the International Olympic Committee ("IOC") in 2005 of San Francisco as the Host City for the Games (together, the "Selection Conditions"). In the event that either event does not take place, this MOU shall be deemed null and void, and neither party shall have any further rights or obligations hereunder, except as otherwise set forth herein.

RECITALS

- A. Licensee is a non-profit organization formed to enrich the lives of San Francisco Bay Area residents through the support and organization of athletic activities. Licensee is presently in the process of preparing a bid in connection with the San Francisco Bay Area's effort to host the Games;
- B. In 1993, Congress and the President selected the Base for closure and disposition by the Base Realignment and Closure Commission ("BRAC") acting under Public Law 101-510 and its subsequent amendments.
- C. The Department of Defense ("DOD") first designated the City and County of San Francisco ("City"), and then its designee, Licensor, as the Local Reuse Authority ("LRA") responsible for the conversion of the Base under the BRAC process.
- D. In 1996, the City's Mayor and Board of Supervisors endorsed a community based reuse and redevelopment plan for the Base (the "Reuse Plan") which contemplates both the long-term redevelopment and interim reuse of the Base ("Reuse").
- E. In furtherance of the Reuse Plan, the City has submitted to the DOD an Economic Development Conveyance ("EDC") application for the transfer of fee title to the entire Base pursuant to Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 101-510,

as amended, and the implementing regulations of the Department of Defense (32 C.F.R. Part 91). Pursuant to the EDC process and after the completion of all requisite environmental review, Licensor expects to enter into final agreements for the conveyance of the Base from DOD to Licensor ("Conveyance Agreements").

E. In addition, in order to implement the Reuse Plan, Licensor has commenced a competitive process soliciting development proposals for the Base consistent with the Reuse Plan (the "RFP Process"). Licensor expects to select a development team and development concept under that RFP Process, and thereafter, enter into long-term conveyance and development agreements with such developer for the final redevelopment and reuse of the base ("Development Agreements").

F. Subject to the Selection Conditions and the Reuse Conditions (as defined in Section 16.2 below), Licensor desires to license to Licensee, and Licensee desires to license from Licensor, the right to use certain portions of the Base on the preliminary terms and conditions set forth herein.

G. This MOU is intended to be the basis for a more definitive and comprehensive agreement that would effectuate such license and supersede this MOU in its entirety (as amended or modified, the "License Agreement"), and any related agreements (collectively, the "Related Agreements") appropriate to facilitate the use of the Licensed Space (as defined below in Section 1.1) for the presentation of the Events.

H. Subject to the Selection Conditions, the Reuse Conditions, all required governmental approvals and the terms and conditions of this MOU, the parties shall in good faith negotiate and use their reasonable best efforts to enter into the License Agreement and Related Agreements after such time as San Francisco is selected as the Host City by the IOC in 2005, and in any use their reasonable best efforts to event by no later than twelve (12) months after the date of such selection by the IOC, with the terms of the License Agreement and Related Agreements to be in accordance with the terms of this MOU and otherwise in form and content mutually acceptable to the parties.

NOW, THEREFORE, in consideration of the mutual promises set forth in this MOU, the parties hereby agree as follows:

1. LICENSE

1.1 Exclusive Use of Facility. Subject to the terms and conditions set forth herein, including the Reuse Conditions, Licensor shall use its reasonable best efforts to grant to Licensee, or its approved assignee(s) as described in Section 10 below, the exclusive right to portions of the Base suitable for the Events, as mutually agreed by Licensor and Licensee (collectively, the "Licensed Space") during the Exclusive Use Period (as defined below in Section 2.1) for the presentation of the Events.

1.2 Common Areas. Pursuant to a License Agreement, Licensee shall have the non-exclusive right to use, together with other tenants, the public, and Licensor, certain public areas of the Base necessary for the Events (collectively, the "Common

Areas"), and certain non-exclusive rights of access, ingress and egress to and from the Licensed Space reasonably necessary for the Events.

1.3 Permitted Use. Pursuant to a License Agreement, Licensee shall use the Licensed Space for the presentation of the Events and such other uses as may be specified in this MOU and the License Agreement, and for no other use without the prior written consent of Lessor.

2. USE TERM

2.1 Exclusive Use Period. Pursuant to a License Agreement, Licensee shall have access to and be permitted to use the Licensed Space for a term (the "Exclusive Use Period") commencing on _____ (the "Estimated Commencement Date") and ending on _____, or such earlier date as this MOU or the License Agreement terminate pursuant to their respective terms (the "Expiration Date").

2.2 Prior Right of Access. Pursuant to a License Agreement, for a period of time (prior to the first day of the Exclusive Use Period) to be set forth in the License Agreement, Licensee shall have the right, upon prior written notice to Lessor, to access the Licensed Space on a non-exclusive basis during normal business hours, for purposes of tours, preparations, and other activities related to the hosting of the Events that will not interfere with the use, occupancy or operation of the Licensed Space by Lessor, its agents or invitees.

2.3. Tours and Site Inspections. Pursuant to a License Agreement, Lessor shall cooperate with the Licensee in arranging tours and inspections of the Licensed Space during business hours and upon reasonable prior written notice, so long as such tours and inspections do not interfere with the use, occupancy or operation of the Licensed Space by Lessor or any other parties prior to the Exclusive Use Period.

2.4 Access. Pursuant to a License Agreement, during the Exclusive Use Period, Licensee shall have control over ingress and egress to the Licensed Space, subject however to the provisions of the Reuse Conditions, if applicable, and any other right of Lessor and any designated agent of Lessor to enter such Licensed Space at reasonable times and upon prior notice to Licensee for the purposes of inspecting the Licensed Space, supplying any services or products to be provided by Lessor hereunder or under the License Agreement, performing any maintenance and/or repair obligations of Lessor hereunder or under the License Agreement, posting notices of non-responsibility, and altering, improving or repairing the Licensed Space.

2.4 Termination Rights.

A. Automatic Termination.

In the event that (i) the USOC fails to select San Francisco in 2002 as the U.S. Candidate City for the Games, or (ii) the IOC fails to select San Francisco in 2005 as the Host City for the Games, then this MOU automatically shall be deemed terminated, the Lessor will refund any monies paid to it under this MOU, less the amount of the reasonable costs and expenses (including without limitation, attorneys fees) incurred by Lessor in connection with the Events, this MOU, and/or the matters contemplated herein, and neither party shall have any further rights or obligations under this MOU, except as otherwise set forth herein.

B. Voluntary Termination.

Licensee shall have the right to terminate this MOU upon providing _____ days prior written notice of termination to Licensor. Additionally, if the Reuse Conditions are not satisfied, as determined by Licensor in its sole discretion, then Licensor may terminate this MOU by giving written notice thereto to Licensee.

If either party provides timely written notice of termination ("Notice of Termination") to the other party in accordance with this Section 2.5.B, then this MOU shall be deemed terminated, the Licensor will refund any monies paid to it by Licensee under this MOU, less the amount of the reasonable costs and expenses (including without limitation, attorneys fees) incurred by Licensor in connection with the Events, this MOU, and/or the matters contemplated herein, and neither party shall have any further rights or obligations under this MOU, except as otherwise set forth herein.

2.5 Restoration and Repair.

Licensee shall ensure that all equipment used for the Events is dismantled and removed before the expiration of the Exclusive Use Period or sooner termination of the License Agreement, at Licensee's sole cost and expense, without structural damage to any portion of the Base or the Licensed Space, and Licensee shall repair any and all damage to the Base or Licensed Space resulting from the removal of such equipment or the Events. In the event that Licensee constructs or installs any Alterations (as defined below in Section 4.3) in, at or upon the Base or Licensed Space in accordance with Section 4.3 below, Licensee shall be required to remove such Alterations at Licensee's cost and expense upon the expiration or sooner termination of this MOU, unless Licensor agrees in writing that Licensee is not required to remove such Alterations, in which event such Alterations shall be and remain Licensor's property.

3. LICENSE FEE

In consideration for use of the Licensed Space, Licensee shall pay a reasonable rental fee (the "License Fee") that will be determined based upon the then current prevailing market rental rate for the Licensed Space, or if applicable, for space of comparable size, location, age and quality to the Licensed Space located in the San Francisco Bay Area ("Reference Area"). Specifics regarding the amount and manner of payment of the License Fee shall be set forth in the License Agreement.

4. DELIVERY AND MAINTENANCE OF THE LICENSED AREA

4.1 Delivery of Licensed Area. Subject to the Reuse Conditions and pursuant to the License Agreement, Licensor shall deliver or cause the delivery of the Licensed Space to Licensee as of the commencement of the Exclusive Use Period.

4.2 Maintenance of Field of Play. Subject to the Reuse Conditions and pursuant to the License Agreement, Licensee shall be responsible, at its cost, for constructing and causing the field of play ("FOP") to meet all applicable international standards for the Events.

5. TICKET SALES

Licensee shall have sole discretion over the sale of tickets for the Events

including, without limitation, their printing, pricing, sale, distribution and accounting. Licensee (or its designee) shall act as the primary box office for all ticket sales for the Events and shall have the right to distribute or retain complimentary tickets in accordance with its policies and procedures. Lessor shall cooperate, at no material cost or expense to Lessor, with Licensee's promotion of ticket sales for the Events in accordance with the advertising provisions listed below, to the extent that such activities do not conflict with the Reuse Conditions or any pre-existing contracts to which Lessor is a party, as determined by Lessor in its sole discretion. Such efforts may include the use of in-stadium advertising on scoreboards, public address announcements prior to and during both BASOC events and non-BASOC events. In the event that Licensee enters into an agreement with a ticket distribution entity, the terms of such agreement shall control over any agreement Lessor may have with such entity or any other ticket distribution system or agency. Lessor shall have the right to purchase a limited number of tickets to the Events, with the number of such tickets to be determined at a later date.

6. PERSONNEL

6.1 General. Unless otherwise agreed between the parties, if the Lessor or its tenant maintains a work force for operation of the Licensed Space as an events space, including, but not limited to, management, security, plumbers, electricians, janitors, stagehands, and engineers, then, subject to Section 6.2 below, Lessor shall make such work force available for the Events, and Licensee shall provide all additional personnel required for the size, scope and duration of the Events. The License Agreement shall include a list of the services and personnel that Lessor will be required to provide for the Events.

6.2 Labor Fees. Lessor shall charge Licensee for all costs and/or expenses incurred in providing the services of all such Events personnel at fair and reasonable rates to be set forth in the License Agreement.

6.3 Background Checks. To the extent permitted by Laws (as defined below in Section 14), collective bargaining agreements and any other applicable agreements, including the Reuse Conditions, Licensee shall have the right, at Licensee's sole cost and expense, to conduct background checks on all potential personnel and to refuse access and/or employment to any individuals who fail this background check.

6.4 Right to Issue All Credentials. During the Exclusive Use Period Licensee shall have the exclusive right to issue all credentials to personnel working at the Licensed Space for the Events.

6.5 Uniforms. Licensee shall have the exclusive right to provide at its own discretion and expense the uniforms for any and all staffed personnel.

7. FOOD AND BEVERAGE CONCESSIONS

7.1 Concessions. Lessor's concessionaire(s), if any, shall be responsible for food and beverage concessions operations subject to the conditions below. Lessor's concessionaire shall retain all income from the sale of food and beverages, subject to its agreement with Lessor and subject to Licensee's right to a share of the proceeds in an amount to be set forth in the License Agreement. Licensee retains the right to use for its own functions (e.g., hospitality, staff meals, etc.) any outside catering agencies it deems appropriate in addition to Lessor's concessionaires.

7.2 Sponsor Products and Services. Licensee will retain the right to require that all concessionaires and caterers for the Events use official Olympic sponsor products and services during the Events, so long as the cost and quality of any such products is comparable to those normally used by the concessionaires and caterers, and provided that adequate supplies of such products and services are readily available to such concessionaires and caterers.

7.3 Labels On Service Products. The concessionaire(s) and caterer(s) may not have labels advertising any particular manufacturer or product on any of their service products. Service products include cups, boxes, containers, plates, utensils, straws, napkins, condiments or any other such products commonly associated with serving food.

7.4 Use of Biodegradable/Environmentally Friendly Service Products. The concessionaire(s) and caterer(s) must use service products that meet environmentally sensitive specifications to be more particularly set forth in the License Agreement, including without limitation specifications regarding recycling and biodegradable products, provided that the cost of these products is similar to non-recycled, non-environmentally friendly, and non-biodegradable service products.

7.5. No Corkage. Except with respect to any catering activities as provided for in paragraph 7.1 above, neither Licensor nor Licensee shall allow alcoholic beverages of any kind to be served in the Licensed Space or brought on to the Licensed Space during the Events. All alcoholic beverages shall be purchased in the Licensed Space.

8. ADVERTISING, MERCHANDISING AND PROGRAMS

8.1 Advertising. Licensee shall conduct, at its sole cost and expense, the entire advertising, publicity and promotion campaign for the Events, including, without limitation, the preparation and furnishing of advertising layouts and commercial mats for all media (including without limitation radio commercials and television reels), and the printing of all outdoor advertising paper, heralds, mailing circulars and other promotion material. To the extent that Licensee requests Licensor's cooperation with Licensee's advertising or promotion campaign for the Events, Licensor shall agree to cooperate, at no material cost or expense to Licensor, with Licensee's promotion efforts at the Licensed Space.

8.2 Clean Venue. During the Exclusive Use Period, the Licensed Space shall be free of all ads and logos including those of Olympic sponsors. Licensor agrees to cooperate with Licensee in arranging for the covering or removal of any such ads or logos in all locations in and around the Licensed Space during the Exclusive Use Period. Licensor agrees to exclude the Exclusive Use Period from any and all future marketing agreements.

8.3 Logo. The only symbol that may be used with Licensee's logo or design is the Olympic rings.

8.4 Exclusive Rights to Merchandise. Licensee shall have the exclusive right to sell in the Licensed Space (either directly or indirectly or through vendors) only officially licensed merchandise, and to retain all proceeds therefrom. Nothing herein shall cause Licensor to be responsible or liable for any aspect of such sales, including without limitation, responsibility or liability for licenses regarding the sale of merchandise or for the enforcement or violation of such licenses; provided, however, Licensor shall cooperate reasonably, at no material cost or expense to Licensor, with Licensee in Licensee's efforts to prevent and stop the sale or distribution of unlicensed

merchandise on or in the Licensed Space.

8.5 Programs. Licensee shall have the exclusive right to print, publish and sell programs, yearbooks and press books and other such publications in connection with the Events and retain all proceeds therefrom. Licensee shall be responsible for Events program production, editing and advertising and for all sales and distribution of the official Events program and will retain all proceeds therefrom.

8.6 Images. Pursuant to their contractual relationships, Licensee, the USOC, and the IOC, shall have exclusive ownership of and copyright in all images resulting from the Events and the Games.

9. PARKING

Licensor shall operate (or contract for the operation of) certain parking areas located on or adjacent to the Licensed Space during the Exclusive Use Period, as more particularly described in the License Agreement. The proceeds from the parking fees shall be retained by Licensor and its parking operator pursuant to the terms of any agreement with such parking operator; provided that, a portion of the parking proceeds will be shared with Licensee, in an amount to be mutually agreed upon in the License Agreement.

10. RIGHT TO ASSIGN TO OFFICIAL ORGANIZING COMMITTEES

Except with respect to a Permitted Assignee (as defined below), Licensee shall not be entitled to assign or transfer its rights and obligations under this MOU, any License Agreement or any Related Agreements without the prior written consent of Licensor. Notwithstanding the foregoing, Licensor agrees that this MOU, any License Agreement and all Related Agreements may be assigned by Licensee to a Permitted Assignee without the prior written consent of Licensor, provided that prompt written notice of any such assignment(s) must be given to Licensor. If San Francisco is selected by the USOC to be the U.S. Candidate City, it is expected that this MOU will be assigned by Licensee to a local organizing committee ("LOC"), and if San Francisco is selected to be the Host City by the IOC, it is expected that this MOU will be assigned to an official Organizing Committee of the Olympic Games ("OCOG"). For purposes of this MOU, the term "Permitted Assignee" shall mean any LOC or OCOG.

11. INDEMNIFICATION

11.1 Indemnity by Licensee to Licensor, City, USOC and IOC. Licensee hereby agrees to indemnify and hold harmless (a) Licensor, its trustees, officers, directors, members, employees, volunteers, consultants, independent contractors, and agents, and if applicable, its tenants of the Licensed Space (collectively, "Licensor Agents"), (b) the City and County of San Francisco ("City"), its trustees, officers, directors, members, employees, volunteers, consultants, independent contractors, and agents, and if applicable, its tenants of the Licensed Space (collectively, "City Agents"), and (c) the USOC and IOC, and their respective trustees, directors, executive committee members, officers, employees, volunteers, agents, consultants and independent contractors (collectively, the "USOC and IOC Agents"), from any and all obligations or liabilities, including without limitation any and all claims, losses, damages, injuries, objections, demands, recoveries, deficiencies, costs and expenses and attorneys' fees (collectively, "Claims") which the Licensor, City, USOC or IOC, respectively, may suffer or incur arising out of or in connection with (i) the use of the Licensed Space by Licensee, the

Licensee Agents (as defined below in Section 11.2) or any performers, vendors, guests or invitees, (b) any default by Licensee in the performance of its obligations under this MOU, or (c) any negligent acts or omissions of Licensee or any of the Licensee Agents in, on or about the Licensed Space; provided that Licensee shall not be obligated to indemnify Licensor or Licensor's Agents, City or City Agents, or the USOC or IOC Agents, to the extent any Claim arises out of the gross negligence or willful misconduct of such Licensor, the Licensor Agents, City, the City Agents, or the USOC and IOC Agents, respectively. Licensee agrees to indemnify and hold harmless Licensor, the Licensor Agents, City, the City Agents, and the USOC and IOC Agents from all liens, liability, claims or demands arising out of any work performed on or materials supplied to the Licensed Space or surrounding property in connection with the Events or any other matters related to or contemplated in this MOU. In addition to the provisions set forth above, the parties acknowledge and agree that the License Agreement shall contain such additional indemnification obligations as are reasonable and customary.

11.2 Indemnity by City to Licensee, USOC and IOC. Licensor agrees to indemnify and hold harmless (a) Licensee, its trustees, officers, directors, members, employees, volunteers, consultants, independent contractors, and agents (collectively, the "Licensee Agents"), and (b) the USOC and IOC Agents from any and all Claims which Licensee, USOC or IOC, respectively, may suffer or incur arising out of or in connection with (a) any default by Licensor in the performance of its obligations under this MOU, or (b) any negligent acts or omissions of Licensor or the Licensor Agents in, on or about the Licensed Space during the Exclusive Use Period; provided that Licensor shall not be obligated to indemnify Licensee or Licensee's Agents, or the USOC or IOC Agents, to the extent any Claim arises out of the gross negligence or willful misconduct of such Licensee, the Licensee Agents or the USOC and IOC Agents, respectively. In addition to the provisions set forth above, the parties acknowledge and agree that the License Agreement shall contain such additional indemnification obligations as are reasonable and customary. Licensee hereby waives the right to claim incidental, consequential or punitive damages against Licensor or any of the Licensor Agents, resulting in whole or in part from the acts or omissions of Licensor or any of the Licensor Agents.

11.3 Damage and Destruction. Without limiting any of its other obligations set forth herein, Licensee shall be liable to Licensor for the cost of repairing any damage caused by any act or omission of Licensee or any of Licensee's owners, employees, agents, performers, contractors, and vendors and any other person who is a guest or invitee of Licensee.

11.4 Property Owned by Licensee. Licensor shall have no liability for loss of any property or equipment owned by or under the control of Licensee or any of Licensee's Agents, guests or invitees located at the Licensed Space that is damaged or destroyed unless such damage or destruction was caused by the gross negligence or willful misconduct of Licensor or its Licensor Agents.

11.5 Survival of Obligations. The obligations of the parties under this Section 11 shall survive the termination of the MOU.

12. INSURANCE

The parties are obligated, and shall maintain, the appropriate insurance, as reasonably determined by the Licensor's risk manager, if applicable, and as more particularly set forth in the License Agreement.

13. [Intentionally Omitted]

14. COMPLIANCE WITH LAW

The parties hereto shall be and remain in compliance with, and perform all of their respective obligations under this MOU in accordance with, all present or future laws, ordinance, resolution, regulation, requirement, proclamation, order or decree (collectively, the "Laws") of any municipal, county, state or federal government or other governmental, administrative or regulatory authority relating to the Licensed Space or the use, operation or occupancy thereof and with any and all recorded covenants, conditions and restrictions affecting the Licensed Space or any portion thereof, whether in effect at the time of execution of this MOU or adopted or recorded at any time thereafter and whether or not within the present contemplation of the parties.

15. NOTICES

Unless otherwise expressly provided herein, any notice given under this MOU shall be effective only if in writing and given by delivering the notice in person or by sending it first-class mail or certified mail with a return receipt requested or by Express Mail, return receipt requested, with postage prepaid, or via facsimile, as follows:

If to Licensor: _____

with copies to: Office of the City Attorney
Fox Plaza
1390 Market Street, 6th Floor
San Francisco, CA 94102
Attn: Robert Maerz
Fax No.: (415) 554-_____

If to Licensee: _____
San Francisco, CA _____
Attn: _____
Fax No.: _____

with a copy to: _____

Attn: _____
Fax No.: _____

Any notice hereunder shall be deemed to have been given and received two (2) days after the date sent by Express Mail, or upon the date personal delivery is made.

16. MISCELLANEOUS AND CITY OF SAN FRANCISCO REQUIREMENTS

16.1 License Agreement and Related Agreements Subject to Environmental Review and City Approvals.

The License Agreement and Related

Agreements shall be subject to the prior approval of the Licensor's Board of Directors, the City of San Francisco's Board of Supervisors, and any other commission, department or agency with jurisdiction over the Licensed Space, which shall occur only after the completion of all environmental reviews required by CEQA.

16.2 Reuse Conditions. Licensor's obligations under this MOU shall be subject to Licensor's reasonable determination that performance of the terms of this MOU is compatible with the Conveyance Agreements and the Development Agreements, and any other conditions or circumstances related to implementation of the Reuse Plan (together, the "Reuse Conditions"). Accordingly, Licensor shall have fully performed its obligations hereunder if and to the extent that it uses reasonable good faith efforts to negotiate and enter into a License Agreement and Related Agreements consistent with this MOU if such agreements are reasonably feasible in light of such Reuse Conditions.

16.3 Effective Date. This MOU shall become effective on the later of (i) the date Licensor's Board of Directors adopts a resolution approving and authorizing this MOU, and (ii) the date on which the parties hereto have duly executed and delivered this MOU (the "Effective Date").

16.4 Regulatory Approvals. Subject to Section 16.5 below, Licensee shall use good faith efforts to diligently pursue all local, state and federal regulatory approvals required for the Events, including, without limitation, preparation of all environmental documentation necessary to comply with the requirements of CEQA ("Regulatory Approvals"). In the event that it is necessary to construct facilities or improvements for the Events, the parties hereto acknowledge and agree that the Licensor will not enter into a final License Agreement which will allow for the Events until there has been complete compliance with the California Environmental Quality Act (CEQA).

16.5 Licensor Acting as a Potential Owner of Real Property. Nothing in this MOU shall limit in any way Licensee's obligation to obtain any Regulatory Approvals from City departments, boards or commissions having jurisdiction over the Base. Licensee shall be solely responsible for obtaining any and all such Regulatory Approvals, although Licensee shall not seek any Regulatory Approval without first obtaining the consent of City, which consent will not be unreasonably withheld.

16.6 Governing Law. This MOU shall be deemed to be made in and shall be construed in accordance with the laws of the State of California.

16.7 Amendments. Neither this MOU nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by both parties hereto or except as otherwise expressly provided herein.

16.8 Interpretation. The captions preceding the articles and sections of this MOU have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this MOU.

16.9 Severability. If any provision of this MOU or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this MOU, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this MOU shall be valid and be enforceable to the fullest extent permitted by law.

16.10 Relationship of the Parties. Licensee is and shall at all times be and

remain independent from Licensor and shall not be an agent or an employee of Licensor. Nothing herein contained shall be construed to place the parties in the relationship of partners or joint ventures. Neither party shall have any right or power to obligate or bind the other in any manner whatsoever except as expressly authorized in this MOU. This MOU is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. Licensor is not a fiduciary and has no special responsibilities beyond any obligations expressly set forth herein to Licensee.

16.11 Conflict of Interest. Licensee represents that it is familiar with provisions of Section C.8.105 of the Charter of the City of San Francisco, and Section 87100 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions.

16.12 MacBride Principles – Northern Ireland. Pursuant to San Francisco Administrative Code Section 12.F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, *et seq.* The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

16.13 Tropical Hardwood and Virgin Redwood Ban. The City and County of San Francisco urges businesses not to import, purchase, obtain, or use for any purpose, any tropical hardwood or tropical hardwood wood product or virgin redwood or virgin redwood wood product.

16.14 Controller's Certification of Funds. The terms of this MOU shall be governed by and subject to the budgetary and fiscal provisions of the Charter of the City and County of San Francisco. Notwithstanding anything to the contrary contained in this MOU, there shall be no obligation for the payment or expenditure of money by the City of San Francisco under this MOU, the License Agreement or any Related Agreements unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 3.105 of the Charter of the City and County of San Francisco, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year of the City of San Francisco after the fiscal year in which the effective date of this MOU occurs, sufficient funds for the payment of any payments required under this MOU are not appropriated, then the City of San Francisco may terminate this MOU, without penalty, liability or expense of any kind to the City of San Francisco, as of the last date on which sufficient funds are appropriated. The City of San Francisco shall use its reasonable efforts to give Licensee reasonable advance notice of such termination.

16.15 Prohibition of Tobacco Advertising. Licensee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the City, including the Base and Licensed Space. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any Events or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

16.16 Counterparts. This MOU may be executed in two or more counterparts,

each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

16.17 Charter Provisions. This MOU is governed by and subject to the provisions of the Charter of the City and County of San Francisco to the extent applicable to the activities of Lessor.

DATED:

LICENSEE:

BAY AREA SPORTS ORGANIZING
COMMITTEE

By:

Title:

DATED:

LICENSOR:

By: _____
Title: _____

AUTHORIZED BY:

Resolution Number: _____
Adopted: _____

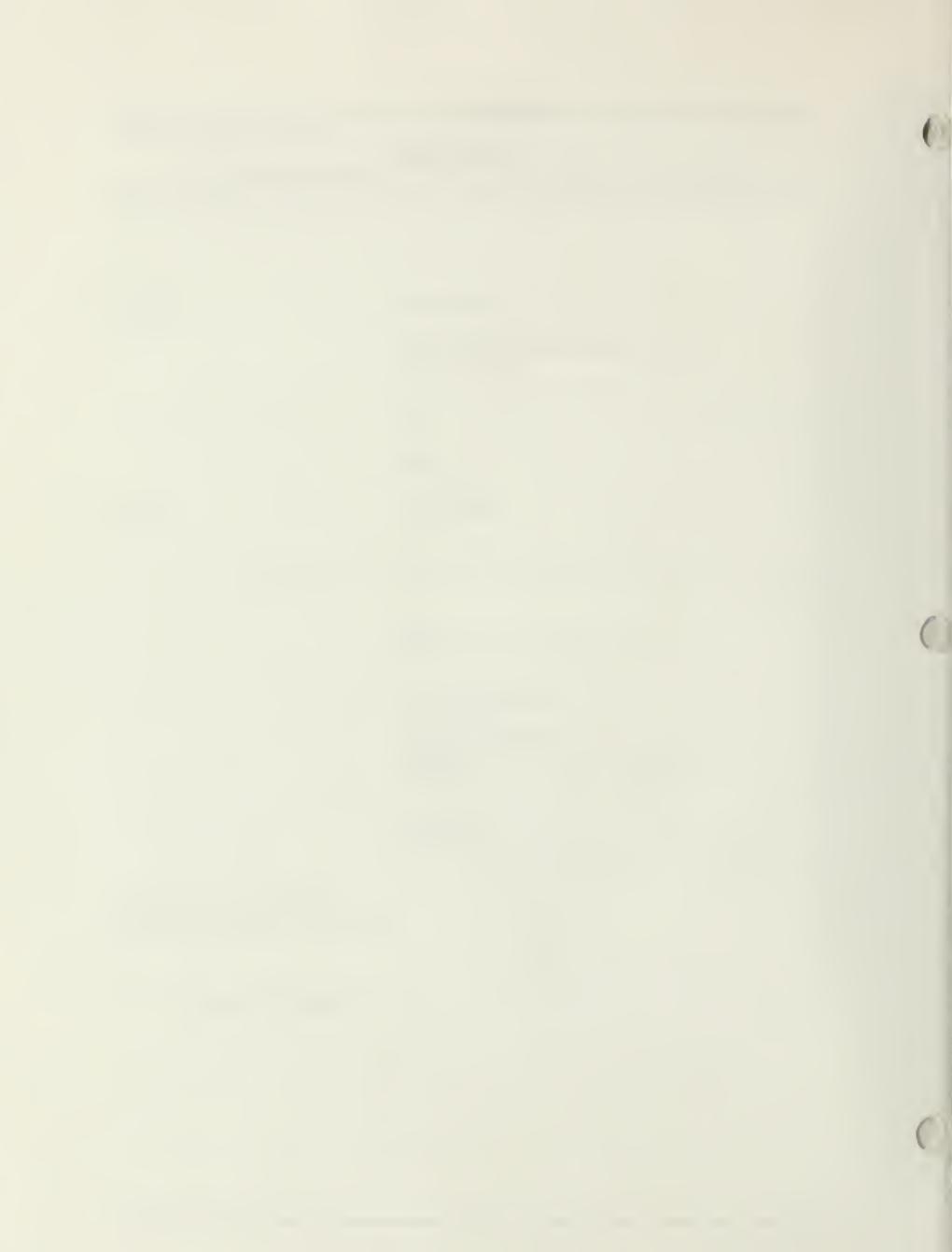
Secretary _____ Commission _____

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By _____
Deputy City Attorney

EXHIBIT A

Licensed Space



Notes

TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Agenda Item No. 9

November 8, 2000

Subject: Resolution approving a sublicense with XO California, Inc., formerly known as Nextlink California, Inc., to permit underground installation of fiber-optic telecommunication cables and access vaults at two locations on Treasure Island.

Staff Contact: Robert Mahoney, Deputy Director (415) 274-0662

SUMMARY OF PROPOSED ACTION

Staff proposes that the authority approve a revocable month-to-month sublicense with XO California, Inc.

DISCUSSION

The sublicense will grant XO California, Inc. the rights to construct, install and maintain telecommunication cables and access vaults at two locations on Treasure Island. The permitted installation would consist of approximately two forty foot length conduits between the existing XO vaults installed in February of 2000 under a license from the United States Navy on the east and west shores of Treasure Island. The conduits will connect the existing vaults to the AT&T vaults and conduits installed on Treasure Island in 1993 under an easement granted by the United States Navy. In addition to the conduits, XO of California will install fiber-optic cables under agreement with AT&T in the existing conduits across Treasure Island to connect to the XO vaults.

RECOMMENDATION

Staff recommends the Authority approve the resolution to enter into the proposed revocable sublicense with the XO of California.

EXHIBITS

Draft Sublicense for XO of California, Inc.

1 [XO California Sublicense]

2 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A SUBLICENSE WITH XO
3 CALIFORNIA, INC. FOR TELECOMMUNICATIONS CABLES AND ACCESS VAULTS.

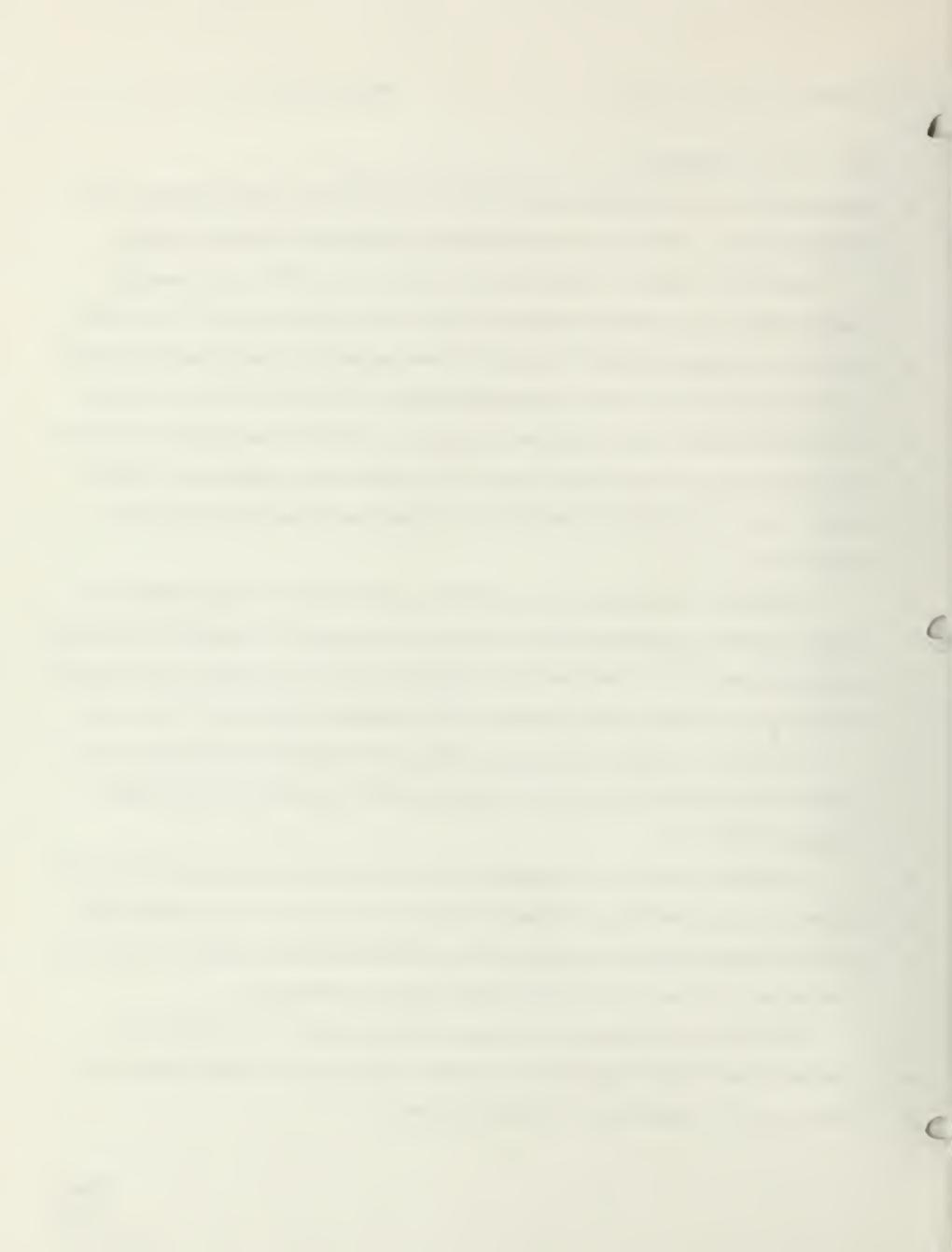
4 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
5 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
6 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority
7 as a redevelopment agency under California redevelopment law with authority over former
8 Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base
9 which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands
10 Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such
11 property; and,

12 WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into
13 private ownership, generally requires that Tidelands Trust property be accessible to the public
14 and encourages public oriented uses of trust property that, among other things, attract people
15 to the waterfront, promote public recreation, protect habitat and preserve open space; and,

16 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
17 redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated
18 February 6, 1998; and

19 WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the
20 Authority, acting by and through its Board of Directors has the power, subject to applicable
21 laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use
22 or occupy all or any portion of the real property located on the Base; and,

23 WHEREAS, XO California, Inc. wishes to obtain permission from the Authority to
24 construct, install, maintain, operate, and repair fiber-optic telecommunications cables and
25 access vaults at two locations on Treasure Island; and,



WHEREAS, The Navy has granted to the Authority a Master License for the desired locations; and,

WHEREAS, Staff proposes granting XO California, Inc. the permission sought by it by entering into a month-to-month sublicense, not to exceed 6 months without further approval from the Board of Directors of the Authority; and,

WHEREAS, A copy of the proposed Sublicense with XO California, Inc. is attached to this Resolution as Exhibit A; now therefore, be it

RESOLVED, That the Board of Directors hereby authorizes the Executive Director or her designee to enter into a month-to-month Sublicense with XO California, Inc. for the construction, installation, maintenance, operation, and repair of fiber-optic telecommunications cables and access vaults at two locations on Treasures Island, not to exceed six months unless extended by resolution approved by the Board of Directors.

FURTHER RESOLVED: That the Sublicense between XO California, Inc. and the Authority shall be in substantially the form of the Sublicense attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 8, 2000.

John Elberling

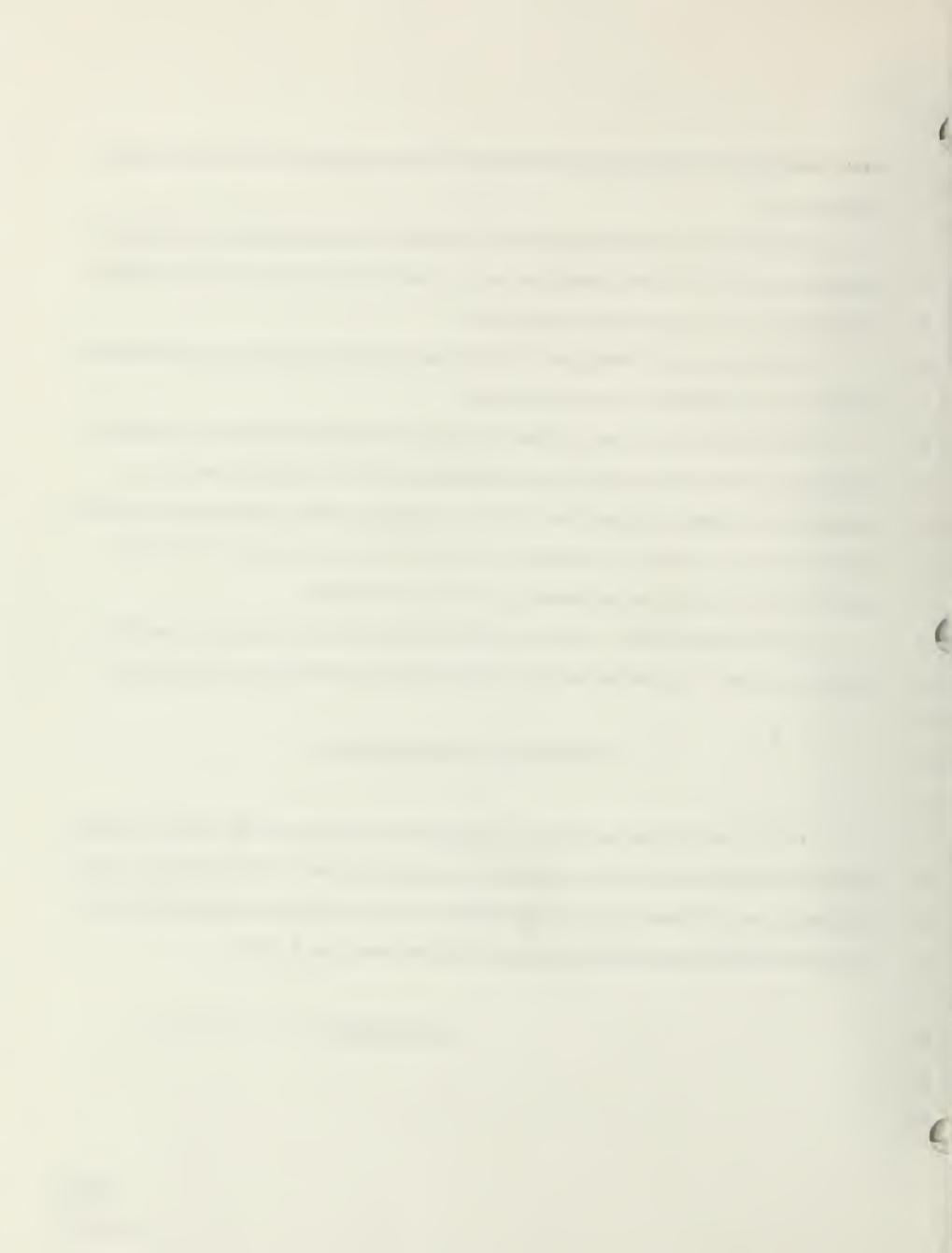


EXHIBIT A

**TREASURE ISLAND DEVELOPMENT AUTHORITY
REVOCABLE SUBLICENSE AUTHORIZING
CONSTRUCTION, INSTALLATION, AND MAINTENANCE OF
FACILITIES ON TREASURE ISLAND**



**TREASURE ISLAND DEVELOPMENT AUTHORITY
REVOCABLE SUBLICENSE AUTHORIZING
CONSTRUCTION, INSTALLATION, AND MAINTENANCE OF
FACILITIES ON TREASURE ISLAND**

This Revocable Sublicense ("Sublicense") is granted by the Treasure Island Development Authority (the "Authority") to XO California, Inc. (formerly "NEXTLINK California, Inc.), a Washington corporation ("Sublicensee").

This Sublicense is granted with reference to the following facts and circumstances:

- A. Sublicensee wishes to construct, install, and maintain its Facilities on the former Naval Station Treasure Island (the "Base").
- B. On May 2, 1997 the Board of Supervisors ("Board") of the City and County of San Francisco ("City") passed Resolution No. 244-97-003, authorizing the Mayor's Treasure Island Project Office to establish the Authority as a non-profit public benefit corporation. The purpose of the Authority is to promote the planning, redevelopment, reconstruction, rehabilitation, reuse, and conversion of the Base for the public interest, convenience, welfare, and common benefit of the inhabitants of the Base.
- C. Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health & Safety Code and added Section 2.1 to Chapter 13333 of the Statutes of 1968, the California Legislature (i) designated the Authority as a redevelopment authority under California redevelopment law with authority over the Base upon approval of the Authority, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation, and fisheries as to such property. The Board approved the designation of the Authority as a redevelopment authority with powers over Treasure Island in Resolution 43-8, dated February 6, 1998.
- D. Under the Treasure Island Conversion Act of 1997 and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to approve and enter into agreements or contracts affecting the Base, including without limitation, contracts for the procurement of goods and services. The Authority has the authority under federal and state law to prescribe terms and conditions for the use of the Base.
- E. Future uses of property on Treasure Island are, to date, uncertain. Sublicensee nonetheless wishes to obtain a temporary non-exclusive revocable sublicense to install facilities AT ITS OWN RISK in the short term.
- F. This Sublicense does not supersede Sublicensee's obligation to obtain individual excavation permits, or any other permits required by the Navy, the Authority or any Agency.

1.0 DEFINITIONS.

1.1 "Agency" means any governmental agency or quasi-governmental agency other than the Authority, including but not limited to the Federal Communications Commission and the California Public Utilities Commission ("CPUC").

1.2 "Approval," "Approve" or "Approved," when used with reference to the Authority approval, means the prior written approval of the Executive Director unless another person or method for approval is specified herein or under applicable Law. When used in reference to any Agency, they mean the final approval of that Agency as provided under applicable Law.

1.3 "Day" means any calendar day, unless a business day is specified. For the purposes hereof, if the time in which an act is to be performed falls on a Saturday, Sunday, or any day observed as an official holiday by the Authority, the time for performance shall be extended to the following business day. For the purposes hereof, the time in which an act is to be performed shall be computed by excluding the first day and including the last.

1.4 "Executive Director" means the Executive Director of the Treasure Island Development Authority or his or her designee.

1.5 "Facilities" means two access vaults (4' x 6' x 4'), conduits, innerducts, surface location markers, fiber optic cables and other appurtenances owned, leased, operated or licensed by Sublicensee, located or to be located in the Sublicense Area, and used or useful for and in connection with the installation, operation, and maintenance of Sublicensee's telecommunications services, including such Facilities installed prior to the Effective Date of this Sublicense or after its expiration or termination.

1.6 "Fee" means any assessment, license, charge, fee, imposition, tax, deposit, penalty or levy imposed by the Authority or any other Agency.

1.7 "Law" or "Laws" mean any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, tariff, administrative order, certificate, order, or other requirement of the Authority or any other Agency having joint or several jurisdiction over the subject matter of this Sublicense, in effect either at the time of execution of this Sublicense or at any time during the period Facilities are located in the Sublicense Area, including, without limitation, any regulation or order of an official entity or body.

1.8 "Person" means an individual, a corporation, a partnership, a sole proprietorship, a joint venture, a business trust, and any other form of business association.

1.9 "Sublicense Area" means the area designated in the Navy's License to the Authority, more particularly shown in Appendix A.

2.0 TERM.

2.1 This Sublicense shall be in effect and binding on Sublicensee on the date this Sublicense as been duly executed by the parties ("Effective Date"). This Sublicense shall continue on a month-to-month basis not to exceed six (6) months unless extended by a resolution duly adopted by the Board of Directors of the Authority. At any time during the term of this Sublicense, the Authority may require that Sublicensee remove, relocate, adjust, and/or support the Facilities, at no cost to the Authority or the Navy, require that Sublicensee indemnify and defend the Authority, require that Sublicensee procure and maintain in effect specified insurance and a deposit or bond, require that Sublicensee comply with all applicable Laws, or require that

Sublicensee give any notice or document to the Authority or require that Sublicensee pay, collect or remit any Fee.

2.2 This Sublicense is intended to be a short-term, interim agreement. The Authority is in the process of developing the Base and intends to establish a policy regarding the placement of facilities on the Base. The Authority reserves the right to renegotiate terms, including, without limitation, the amount of the fee for use of property on the Base.

2.3 The terms and conditions of this Sublicense shall survive the termination of this Sublicense with respect to Sublicensee's Facilities existing in the Sublicense Area at the time of termination.

3.0 LIMITATIONS AND RESTRICTIONS.

3.1 No privilege or exemption is granted or conferred by this Sublicense except those specifically prescribed herein. All of the terms and conditions of the Navy License, attached hereto as Appendix A, are hereby incorporated by reference as if fully set forth herein. Any privilege claimed under this Sublicense by Sublicensee in the Sublicense Area shall be subordinate and subject to the Navy License. If any of the provisions of this Sublicense conflicts with any portion of the Navy License incorporated herein, the terms of the Navy License shall govern. All rights granted herein shall automatically terminate upon termination of the Navy License.

3.2 Subject to the provisions of this Sublicense, the Authority hereby grants Sublicensee the non-exclusive authority to construct, install, maintain, locate, move, occupy, operate, place, protect, reconstruct, reinstall, relocate, remove, and replace Facilities within the Sublicense Area. Any work performed by Sublicensee shall be conditioned upon Sublicensee obtaining all other permits and Approvals that may be required by the Authority, the Navy, or any other Agency. Nothing in this Sublicense is intended to imply that the Authority, the Navy or any other Agency will issue such Sublicenses or Approvals. This Sublicense is only for the necessary work required to install the Facilities. Further construction is expressly conditioned upon the Authority's approval by separate instrument.

3.3 The Authority reserves any and all authority it may have now or in the future to regulate or otherwise condition the Facilities, their use, or the use of the Sublicense Area. The Authority's granting of this Sublicense is not a waiver of, and is without prejudice to, any authority the Authority may have now or in the future to regulate or impose Fees on Sublicensee.

3.4 Notwithstanding any other provision of this Sublicense, all activities conducted pursuant hereto shall be conducted at Sublicensee's sole cost and expense.

3.5 Nothing in this Sublicense, nor any use hereunder, shall be deemed to grant, convey, create, or vest in Sublicensee a real property interest in any portion of the Base or the Sublicense Area, including, but not limited to, any fee or leasehold interest in land, easement, or franchise, except that nothing herein shall affect any possible liability for possessory interest taxes pursuant to Section 3.6.

3.6 Sublicensee, on behalf of itself and any licensed successor, lessee, or assign, recognizes and understands that this Sublicense may create a possessory interest subject to property taxation and that Sublicensee, its successor, lessee, or assign may be subject to the payment of such taxes.

3.7 Notwithstanding any other provision of this Sublicense, any and all rights expressly or impliedly granted to Sublicensee under this Sublicense shall be subject to all deeds, easements, dedications, conditions, covenants, restrictions, encumbrances, franchises and claims of title which may affect the Sublicense Area.

3.8 Sublicensee shall take all reasonable measures to protect the seawall and shall immediately perform any repairs to the seawall at Sublicensee's sole cost and expense. Any such repair shall be subject to inspection and approval of the Authority.

4.0 APPLICATION OF LAWS.

4.1 Sublicensee agrees that all work performed in the Sublicense Area by it or its agents, including work not involving excavation, shall be performed in compliance with this Sublicense, any other permits or Approvals issued hereto, and with all federal, state, and local requirements, including, but not limited to CPUC General Orders 95 and 128, as amended. Sublicensee shall, at its sole expense, procure and maintain in force at all times during its use of the Sublicense Area any and all business and other licenses or Approvals necessary to conduct the activities allowed hereunder. If required by applicable Laws, Sublicensee shall obtain the Approval of any Agency, and obtain Approval of the impact that the Facilities may have upon the environment.

4.2 Sublicensee shall collect and remit to the Authority the utility users tax pursuant to Article 10 of Part III of the San Francisco Municipal Code, as amended, if the Facilities are used to provide services that are subject to the tax, as well as the emergency response fee pursuant to Article 10A of Part III of the San Francisco Municipal Code, as amended, if the Facilities are used to provide services subject to the fee. Sublicensee shall provide such records to the Authority as the Authority may require to confirm compliance with this requirement.

4.3 Sublicensee shall be solely responsible for the payment of all lawful Fees charged in connection with the exercise of Sublicensee's right, title, and interest in, and the construction, installation, maintenance and operation of, the Facilities under this Sublicense.

5.0 REMOVAL AND RELOCATION OF FACILITIES.

5.1 The Authority reserves the right to occupy the Sublicense Area, or any part thereof, which is occupied or to be occupied by the Facilities. In the event that the existence of the Facilities is or will be detrimental to the Authority's use of the Sublicense Area, as reasonably determined by the Executive Director, Sublicensee shall at its own cost and expense temporarily or permanently remove, relocate, adjust, and/or support the Facilities, or any part thereof, to such other location or locations, or in such manner, as appropriate, as may be designated or approved, in writing and in advance, by the Authority. Sublicensee acknowledges that it is being permitted to construct and locate Facilities within an area that may be subject to extensive development and that the Authority may require Sublicensee to remove, relocate, adjust, and/or support the Facilities, in the sole discretion of the Executive Director, to accommodate any such development. The Authority will not unreasonably withhold Approval of any plan for removal, relocation, adjustment and/or support of the Facilities. Such removal, relocation, adjustment and/or support shall be completed within the time prescribed by the Executive Director. If the Facilities are not removed, relocated, adjusted and/or supported as prescribed by the Executive Director and within the prescribed time, the Authority may take all reasonable, necessary, and appropriate action, including removing the Facilities, and shall charge the reasonable costs actually incurred, including but not limited to administrative costs, to Sublicensee.

5.2 Sublicensee may notify the Authority, or the Authority may determine, that the Facilities or any part thereof, are abandoned or no longer used or useful by Sublicensee in

providing service. At the Authority's request, Sublicensee shall promptly provide information to the Authority, describing in detail the location of such Facilities. At the Authority's sole option, Sublicensee shall convey such Facilities to the Authority at no cost or promptly remove the Facilities, all at Sublicensee's sole cost and expense. If Sublicensee fails to remove the Facilities and restore the Sublicense Area as required by the Authority, the Authority shall be entitled to remove the Facilities and restore the Sublicense Area on behalf of Sublicensee and charge the reasonable costs actually incurred, including but not limited to administrative costs, to Sublicensee. Upon the Authority's demand, Sublicensee shall execute such documents of title as will convey all right, title, and interest in the abandoned Facilities, or any part thereof, to the Authority free and clear of liens and/or adverse claims of title.

5.3 Whenever the removal or relocation of the Facilities is required under this Sublicense, Sublicensee shall, after the removal or relocation of the Facilities, at its own cost and expense, promptly repair, restore and return the Sublicense Area to a safe and satisfactory condition, as Approved by the Executive Director in accordance with applicable Laws and standard requirements. If Sublicensee does not return the affected site to a safe and satisfactory condition, the Authority shall have the option to perform or cause to be performed such reasonable and necessary work on behalf of Sublicensee and charge the actual costs incurred, including but not limited to administrative costs, to Sublicensee. Upon the receipt of a demand for payment by the Authority, Sublicensee shall reimburse the Authority for such costs.

6.0 DIG PERMIT(S).

6.1 Any trenching by Sublicensee on the Base requires the prior consent of the Navy and the prior consent of the Executive Director, except as provided by Federal law. Pursuant to the terms of the Navy License, Sublicensee shall submit a One-Time Excavation Permit Request to the Treasure Island Caretaker Site Office. Sublicensee shall pay all Fees required as a condition precedent to the issuance of any regulatory permits in accordance with the applicable rates and charges then in effect.

6.2 Sublicensee shall maintain current, accurate and complete plans and record drawings showing, in detail, the exact location, depth, and size of any Facilities constructed or installed in the Sublicense Area in relation to other facilities on the Base. Upon demand, such plans and record drawings shall be delivered to the Authority in a form to be determined by the Executive Director pursuant to the following timeframes: (a) immediately in the event of an emergency; (b) within five (5) working days for requests of ten (10) or fewer records; and (c) within ten (10) working days for requests of more than ten (10) records.

6.3 Any method of excavation other than open trenching may be used only upon Approval by the Executive Director.

7.0 UNDERGROUND SERVICE ALERT

In accordance with the provisions of Chapter 3.1 of Division 5 of Title I of the Government Code of the State of California (Section 4216 *et seq.*), Sublicensee as an operator of a subsurface installation shall obtain and maintain membership in a regional notification center (e.g., Underground Service Alert - Northern California), and shall otherwise comply with the provisions of the referenced chapter, division and title upon demand. Sublicensee shall furnish written proof of such membership to the Executive Director within two (2) Days of the Effective Date. Repeal of any Law requiring such membership shall not negate Sublicensee's obligation to maintain such membership.

8.0 LIABILITY, INDEMNIFICATION, DEPOSITS, AND INSURANCE.

8.1 Sublicensee shall agree on its behalf and that of any successor or assign to indemnify, defend, protect, and hold harmless the Authority, the City, and the Navy, including, without limitation, each of their commissions, departments, officers, agents, and employees (hereinafter in this Subsection collectively referred to as the "Indemnified Parties") from and against any and all actions, claims, costs, damages, demands, expenses, fines, injuries, judgments, liabilities, losses, penalties, or suits including, without limitation, attorneys' fees and costs (collectively, "claims") of any kind allegedly arising directly or indirectly from:

(a) any act by, omission by, or negligence of, Sublicensee or its subcontractors, or the officers, agents, or employees of either, while engaged in the performance of the work authorized by the Sublicense, or while in or about the Sublicense Area for any reason connected in any way whatsoever with the performance of the work authorized under Section 3.2 of this Sublicense, or allegedly resulting directly or indirectly from the maintenance or installation of any equipment, Facilities, or structures authorized herein;

(b) any accident, damage, death, or injury to any contractor or subcontractor, or any officer, agent, or employee of either of them, while engaged in the performance of the work authorized herein, or while in or about the property for any reason connected with the performance of the work authorized herein, or arising from liens or claims for services rendered or labor or materials furnished in or for the performance of the work authorized herein;

(c) any accident, damage, death, or injury to any person(s) or accident, damage, or injury to any real or personal property in, upon, or in any way allegedly connected with the work authorized herein from any cause or claims arising at any time; and,

(d) any release or discharge, or threatened release or discharge, of any hazardous material caused or allowed by Sublicensee about, in, on, or under the Sublicense Area or the environment. As used herein, "hazardous material" means any gas, material, substance, or waste which, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any Federal, State, or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. "Release" when used with respect to hazardous materials shall include any actual or imminent disposing, dumping, emitting, emptying, escaping, injecting, leaching, leaking, pumping, pouring, or spilling.

(e) Upon the request of the Indemnified Parties, Sublicensee, at no cost or expense to the Indemnified Parties, must indemnify, defend, and hold harmless the Indemnified Parties against any claims, regardless of the alleged negligence of the Indemnified Parties or any other party, except only for claims resulting directly from the sole negligence or willful misconduct of the Indemnified Parties. Sublicensee specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Indemnified Parties from any claims which actually or potentially fall within the indemnity provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Sublicensee by the Indemnified Parties and continues at all times thereafter. In addition, the Indemnified Parties shall have a cause of action for indemnity against Sublicensee for any costs the Indemnified Parties may be required to pay as a result of defending or satisfying any claims that arise from or in connection with this Sublicense, except only for claims resulting directly from the sole negligence or willful misconduct of the Indemnified Parties. Sublicensee agrees that the indemnification obligations assumed under this Sublicense shall survive expiration of the Sublicense or completion of work authorized herein.

8.2 Sublicensee agrees that at all times during the existence of this Sublicense it will, at its own expense, maintain in force, furnish to the Authority, and file with the Authority, a general comprehensive liability insurance policy, in protection of the Authority, members of its boards and commissions, and its officers, agents and employees, in a company approved by the Authority and in form satisfactory to the Authority, protecting the Authority, and said Persons against liability for loss or damages for bodily injury, death, and property damage occasioned by the operations of Sublicensee under this Sublicense, with minimum liability limits of one million dollars (\$1,000,000) for personal injury or death of any one person, and three million dollars (\$3,000,000) for personal injury or death of two or more persons, in any one occurrence, and one million dollars (\$1,000,000) for damages to property resulting from any one occurrence.

8.2.1 Additional public agencies and their personnel shall be added to any such policy as additional insureds, subject to the same terms and conditions, at the request of the Authority.

8.2.2 The policies mentioned in Section 8.2 shall contain a provision that a written notice of any cancellation or reduction in coverage of said policies shall be delivered to the Authority thirty (30) days in advance of the effective date thereof.

8.2.3 If such insurance is provided in either case by a policy which also covers Sublicensee or any other entity or Person than those above named, then such policy shall contain the standard cross-liability endorsement.

8.3 Within thirty (30) days of the Effective Date of this Sublicense, Sublicensee shall provide to the Authority a performance bond to guarantee Sublicensee's faithful performance pursuant to the terms of this Sublicense. The bond shall be in the form of a corporate surety bond in a sum not less than one hundred thousand dollars (\$100,000). The corporate surety issuing this bond shall be liable to the Authority for all liquidated damages that may be due the Authority under this Sublicense. The corporate surety on the bond shall be legally authorized and licensed through the California Department of Insurance to engage in the business of furnishing surety bonds in the State of California. The corporate surety shall have an "A-VIII" or better rating in Bests Rating Guide and shall be satisfactory to the Authority. The Authority shall be the sole obligee under the bond.

8.3.1 Neither the provisions of any bond accepted by the Authority pursuant hereto nor any damage recovered by the Authority thereunder shall be construed to excuse faithful performance by Sublicensee or limit the liability of Sublicensee under this Sublicense or for damages, either to the full amount of the bond or otherwise, or preclude exercise of any other right or remedy given to the Authority by law, whether exercised concurrently or subsequently.

8.3.2 In the event that Sublicensee shall fail to comply with the provisions of this Sublicense, except in those cases where Sublicensee's failure to comply is through no fault of Sublicensee (such as the Navy's refusal to issue a Dig Permit or any other matter beyond the reasonable control of Sublicensee), and continues after the Authority has provided Sublicensee with written notice of such failure and a reasonable period, not exceeding fourteen (14) days, to cure the failure, there shall be recoverable jointly and severally from the principal and surety of such bond a payment of five hundred dollars (\$500) per day until such failure is remedied. Inability to obtain permission for access to private property shall constitute excusable nonperformance.

8.4 Sublicensee's compliance with the provisions of this Section shall in no way relieve or decrease Sublicensee's indemnification obligations under this Sublicense or any of

Sublicensee's other obligations hereunder. Notwithstanding anything to the contrary in this Sublicense, this Sublicense shall terminate immediately, without notice to Sublicensee, upon the lapse of any required insurance coverage. Sublicensee shall be responsible, at its expense, for separately insuring Sublicensee's personal property.

9.0 MISCELLANEOUS PROVISIONS.

9.1 This Sublicense is personal to Sublicensee and neither this Sublicense nor the rights conferred under it shall be assigned, conveyed or otherwise transferred by Sublicensee, except upon prior approval of the Authority. Subject to this prohibition against assignments, the obligations arising from this Sublicense shall be binding upon any lawful successors and assigns of Sublicensee.

9.2 Notwithstanding the provision of Section 9.1, Sublicensee shall have the right to assign this Sublicense without the Authority's consent to any affiliate or any corporation which controls, is controlled by or is under common control with Sublicensee, to any corporation resulting from merger or consolidation with Sublicensee, or to any partnership in which Sublicensee, the general partner of Sublicensee, or any corporation which controls, is controlled by, or is under common control with the general partner of Sublicensee, is a general partner, or to any person or entity which acquires substantially all of Sublicensee's assets, provided that such assignee (i) has a net worth at least equal to Sublicensee's, (ii) confirms that the assignee has obtained all necessary Approvals to occupy the Sublicense Area, and (iii) assumes in full all of Sublicensee's obligations under the Sublicense and provided further that the Sublicensee provides to the Authority written documentation satisfactory to the Authority that the three conditions referenced above have been satisfied.

Sublicensee shall provide the Authority thirty (30) days written notice prior to any such assignment. Any attempt to assign, convey or otherwise transfer this Sublicense, except according to the terms herein, shall, at the Authority's sole option, be null and void and cause the immediate termination and revocation of this Sublicense.

9.3 Prior to conducting any work in the Sublicense Area, Sublicensee shall provide to the Authority a current emergency response plan identifying staff who have authority to resolve, twenty-four (24) hours a Day, seven (7) Days a week, problems or complaints resulting from the Facilities.

9.4 This Sublicense shall be governed and construed by and in accordance with California and federal law. If either Sublicensee or the Authority commences an action against the other or a dispute arises under this Sublicense, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of the Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience.

9.5 To the extent the provisions of this Sublicense and any other permit required to be obtained by Sublicensee from the Authority are in conflict, the provisions which impose the higher or greater legal duty or obligation upon Sublicensee shall take precedence.

9.6 If any provision of this Sublicense, or any part of any provision, is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the validity or enforceability of any other provision of this Sublicense.

9.7 The recitals contained in Paragraphs A through F are incorporated herein and made a part of this Sublicense.

9.8 Sublicensee shall comply with all applicable provisions of the City's Integrated Pest Management Program pursuant to Chapter 39 of the City's Administrative Code, as amended, in the event that Sublicensee applies pesticides to Sublicense Area.

9.9 Sublicensee shall comply with the City's prohibition on tobacco product advertising, as set forth in Chapter 4, Section 4.20 of the City's Administrative Code. Sublicensee shall not advertise cigarettes or tobacco products on any property owned by or under the control of the City and County of San Francisco. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product.

9.10 All remedies prescribed in this Sublicense shall be cumulative, and the use of one or more remedies by the Authority shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Sublicense.

9.11 Sublicensee shall, at all times during the term of this Sublicense, promptly observe and comply, at its sole cost and expense, with the provisions of all applicable Federal, State, and local laws, regulations, and standards concerning environmental quality and pollution control and abatement. Sublicensee covenants that it will not generate, use, store, treat or dispose of hazardous substances or hazardous waste in the Sublicense Area. Sublicensee shall promptly notify the Authority and the Navy and supply copies of any notices, reports, correspondence, and submissions made by Sublicensee to any Federal, State, or local authority, or received by Sublicensee from said authority concerning environmental matters or hazardous substances or hazardous waste on, about, or pertaining to the Sublicense Area. Sublicensee shall indemnify, defend and hold harmless the Authority and the Navy from and against all claims, liabilities, losses, damages and costs, foreseen or unforeseen, which the Authority or the Navy may incur by reason of Sublicensee's action or non-action with regards to obligations under this paragraph, and this provision shall survive the expiration and termination of the Sublicense.

10.0 NOTICES.

All notices which shall or may be given pursuant to this Sublicense shall be in writing and transmitted through the United States mail, by means of private delivery systems, or by facsimile transmission, if a hard copy of the same is followed by delivery through the United States mail or by private delivery systems, as follows:

The Authority:

Treasure Island Development Authority
Treasure Island Project Office
401 Palm Avenue
Building 1, Room 217
Treasure Island
Attn: Executive Director
Fax No.: (415) 554-3808

With a copy to:

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place

San Francisco, CA 94102-4682
Attn: Telecommunications Team
Fax No.: (415) 554-4757

Department of Telecommunications and
Information Services
875 Stevenson Street, Fifth Floor
San Francisco, CA 94103-0948
Attn: Director

Notice Address of Sublicensee:

XO California, Inc.

Notice Address of the Navy:

Commanding Officer (Code 24)
Engineering Field Activity West
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, California 94066

11.0 FEES

11.1 Sublicensee agrees to pay the Authority a monthly fee, in the following amount: (1) (TBD) per vault installed pursuant to this Sublicense and (2) (TBD) per linear foot per month for each conduit installed pursuant to this Sublicense. Payment of the fee shall be by good check to the Treasure Island Development Authority at the address provided in Section 10.

11.2 Sublicensee shall pay to the Authority an administrative fee of seven thousand dollars (\$7,000) to cover the costs incurred by the Authority costs to process and grant this Sublicense.

Sublicensee represents and warrants to the Authority that it has read and understands the contents of this Sublicense, has had an opportunity to review and discuss it with counsel of its choosing, and agrees to comply with and be bound by all of its provisions.

TREASURE ISLAND DEVELOPMENT AUTHORITY:

Title: _____

Date: _____

SUBLICENSEE:

Title: _____

Date: _____

Sublicensee's Corporate Name

Date: _____

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

Deputy City Attorney

Date: _____

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Notes

DOCUMENTS DEPT.

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Treasure Island Development Authority

**MINUTES FOR REGULAR MEETING
NOVEMBER 08, 2000**

1:10 P.M. Room 400, City Hall
1 Dr. Carlton Goodlett Place

1. Roll Call: Present: John Elberling - Vice Chair, James Morales, William Fazande, Gerald Green, Doug Wong, Susan Po-Rufino.

Excused: Anne Halsted

2. Correspondence: The Commission Secretary reported that there were no communications

3. Executive Director's Report given by Annemarie Conroy

- Open Access - Ms. Conroy reported that 1500 people attended the community picnic last month coordinated by TIHDI. Upcoming events include a picnic sponsored by Applied Materials, Pottery Barn is using Nimitz House for a catalogue shoots, Berkeley All Blues Women's Rugby is starting its second season on the Island, and the Mayor's Office is facilitating senior bus tours of the Island.
- Environmental Clean Up - The Navy is continuing environmental cleanup efforts in the housing area (Site 12.) TIHDI will begin cleanup efforts once it is determined by Department of Toxic Substance Control (DTSC) & the Navy that the units are safe for occupancy. The next RAB meeting is November 21.
- Short-Term Leases - This item is on current agenda.
- Bay Bridge - The Army Corps of Engineers issued its 2nd report in regard to the seismic stability of the proposed replacement of the eastern span. The report was highly critical of the chosen design and offered a list of recommendations. US Department of Transportation has deeded over to Caltrans areas on YBI for constructions of the new east span of the bay bridge.
- Community Issues - Muni has increased evening service. The project office will continue to work with Muni to enhance the service to the Island.
- CAC - First meeting was changed because of a conflict with the Board of Supervisors Candidates Night. It's rescheduled for Nov. 13th at 6:30 at Job Corps.
- TIHDI - Discussed under open access and environmental clean up.
- Financial Report - Ms. Conroy reported that revenues are \$1.2 million to date which is on target. Expenses are \$882,345 to date. We have received all of the Cooperative Agreement money for the year. Finance staff is currently involved in

closing out final audits for fiscal year 2000. • Legislation Affairs - No new legislation and no hearings currently scheduled.

- Discussion of Selection of RFQ Consultant- Stephen Proud, Development Director reported that Approximately 1100 people received the ad for the RFQ and 360 books have been sent to date. February 1, 2001 is the due date for RFQ responses. Mr. Proud expressed the need for structure for the evaluation of the submittals and provided suggestions for the review committee. Mr. Proud's first suggestion was to have representatives from various City departments supplemented with outside consultants. Staff would work in an advisory capacity with the consultant. We must wait to see how many responses we receive in order to get an idea of what the consultant's services would cost.

Mr. Morales asked if the Project Office had considered an independent review panel? Mr. Proud replied that some people maybe concerned with the fairness of the process. Mr. Green asked if the consultants could advise the Executive Director rather than make a recommendation directly to the Authority? Mr. Morales replied that would be an appropriate alternative. Staff also needs to be involved in the recommendation to the Executive Director.

Mr. Proud replied that the RFQ process will winnow down a pool of submittals to a short that list of developers which would be invited to respond to an RFP. Mr. Proud stated that it is important to know that there is general agreement on the use consultant services so we can move forward with the process.

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Mr. Wong moved. Mr. Morales seconded. Approved 6-0

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Mr. Green asked if tennis & sailing were the only sport to be held on for TI. Mr. Cohen replied yes.

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identify specifics like parking, fees, construction obligations etc. The MOU specifically contemplates a subsequent action by this Board.

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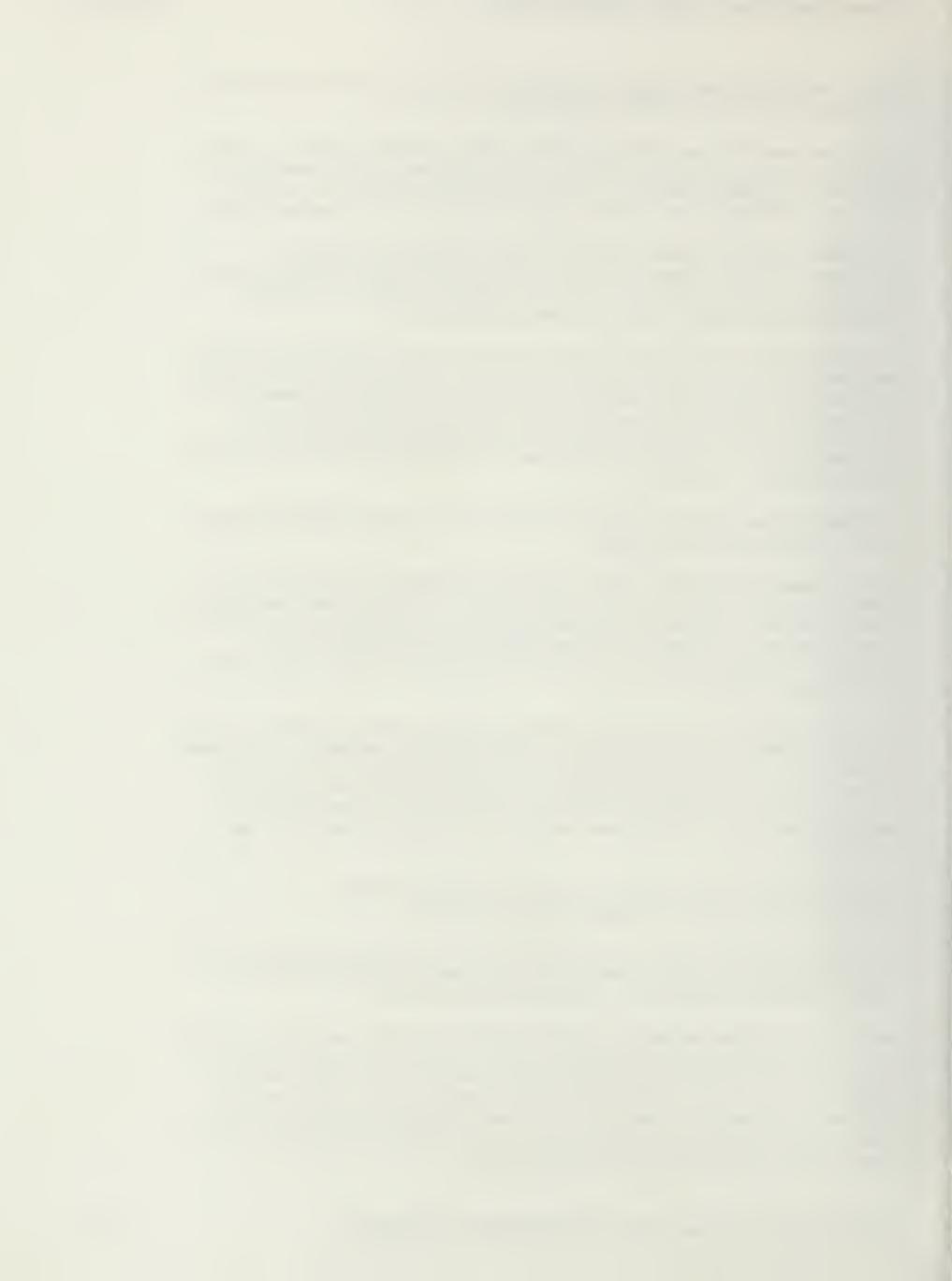
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Ms. Conroy replied that the next step would be to link conduits across the island to the housing and our buildings. The Navy is under a Federal order not to interfere with telecommunications and we stepped in to have the agreement with the Authority so we have control over what happens on the island. Mr. Green asked for an amendment to the resolution that provides a benefit to the residents of the island.

Mr. Wong moved as amended. Mr. Green seconded. Approved 6-0.

9. **Adjourn** - 2:29PM.

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03/22/00

OFFICE OF THE MAYOR
SAN FRANCISCO



WILLIE LEWIS BROWN, JR.

TREASURE ISLAND PROJECT
410 AVENUE OF THE PALMS
BUILDING 1, 2ND FLOOR
TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660
FAX (415) 274-0299

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TREASURE ISLAND DEVELOPMENT AUTHORITY AGENDA

WEDNESDAY, December 13, 2000 1 P.M.

Room 400, City Hall
1 Dr. Carlton Goodlett Place

Willie L. Brown, Jr., Mayor

DIRECTORS

John Elberling, Vice-Chairman
William Fazande
Susan Po-Rufino
Doug Wong

Gerald Green
Anne Halsted
James Morales

Annemarie Conroy
Executive Director

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Approval of Minutes (*Action item*)
3. Communications (*Discussion item*)
4. Report of the Treasure Island Project Director Annemarie Conroy (*Discussion item*)
 - Report on access to Treasure Island including public use last month
 - Status of environmental clean up
 - Report on short-term leases
 - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
 - Report on Treasure Island community issues
 - Report on Citizens Advisory Committee
 - Report on TiHDI
 - Financial Report
 - Legislation/hearings affecting Treasure Island
5. General Public Comment (*Discussion Item*)
6. Ongoing Business by Directors and Introduction of New Business by members (*Discussion Item*)
7. Resolution approving by-laws for the Treasure Island/Yerba Buena Island Citizens Advisory Board (*Action Item*)
8. Resolution approving the Cooperative Agreement with the U.S. Navy for the period October 1, 2000 through September 30, 2001 for \$145,000. (*Action Item*)

9. Resolution approving the first amendment to the exclusive negotiating agreement with Treasure Island Enterprises to give the Executive Director the authority to extend the term of the agreement (*Action Item*)
10. Resolution approving the issuance of a request for qualifications/proposals for consultant services to assist in the evaluation of the responses to the primary developer RFQ (*Action Item*)
11. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Project Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

If you would like to receive TIDA meeting agendas by e-mail, rather than through U.S Postal Service mail, please send your name and e-mail address to TIDA@ci.sf.ca.us.

Disability Access

The Treasure Island Development Authority will meet at City Hall, 1 Dr. Carlton Goodlett Place. City Hall is accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 at least 72 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

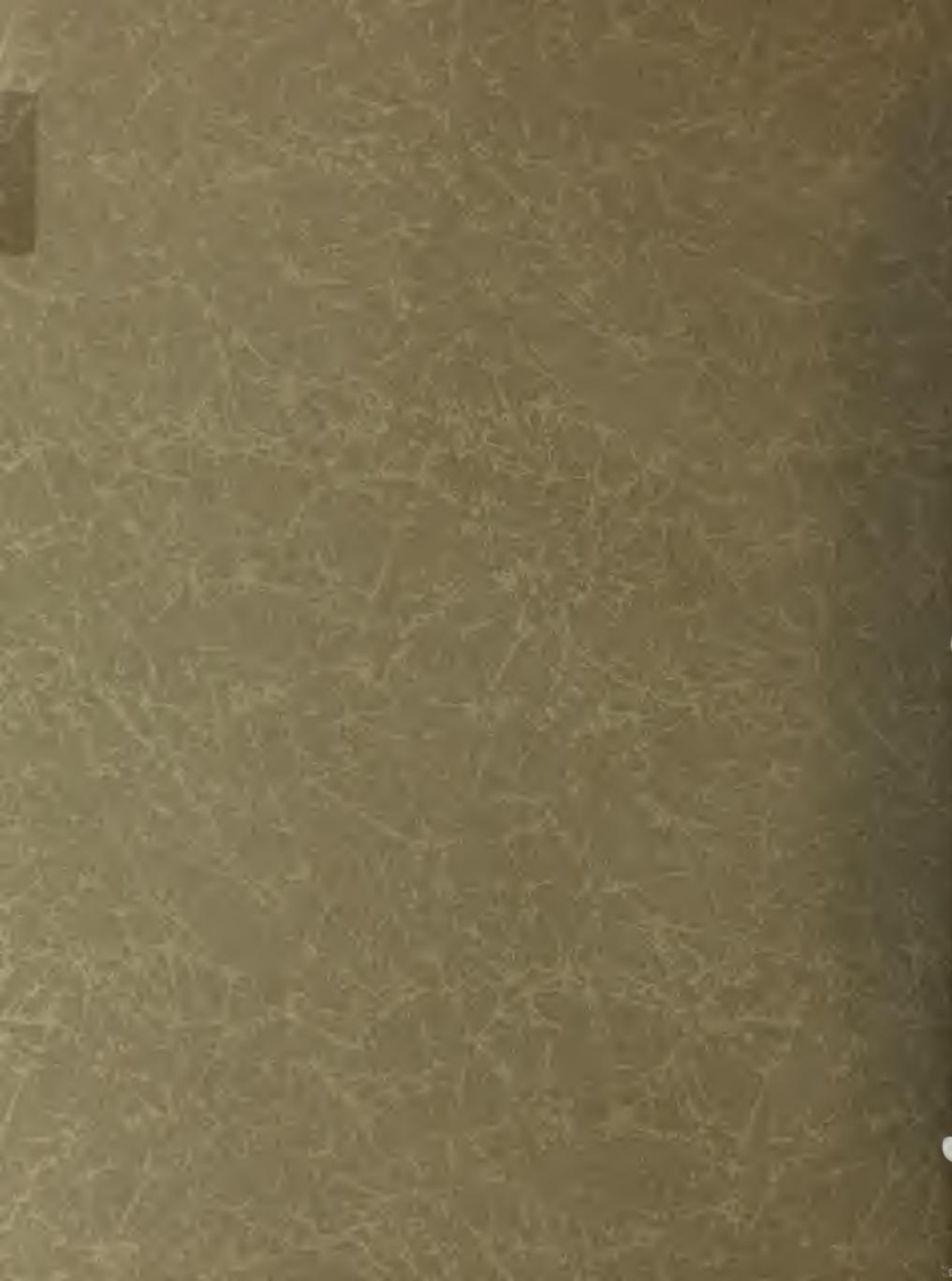
TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.ci.sf.ca.us/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.









**Minutes of Regular Meeting
Treasure Island Development Authority
November 8, 2000**

Call to order: 1:10 PM in Room 400 in City Hall

Roll Call: Present: John Elberling, Vice-Chair
Susan Po-Rufino
Greald Green
James Morales
Doug Wong
William Fazande

Excused: Anne Halsted

2. Approval of Minutes: The minutes of October 11th were approved unanimously.
3. Correspondence: The Commission Secretary reported that there were no communications
4. Executive Director's Report given by Annemarie Conroy

- Open Access – Ms. Conroy reported that 1500 people attended the community picnic last month coordinated by TIHDI. Upcoming events include a picnic sponsored by Applied Materials, Pottery Barn is using Nimitz House for a catalogue shoots, Berkeley All Blues Women's Rugby is starting its second season on the Island, and the Mayor's Office is facilitating senior bus tours of the Island.
- Environmental Clean Up – The Navy is continuing environmental cleanup efforts in the housing area (Site 12.) TIHDI will begin cleanup efforts once it is determined by Department of Toxic Substance Control (DTSC) & the Navy that the units are safe for occupancy. The next RAB meeting is November 21.
- Short-Term Leases – This item is on current agenda.
- Bay Bridge - The Army Corps of Engineers issued its 2nd report in regard to the seismic stability of the proposed replacement of the eastern span. The report was highly critical of the chosen design and offered a list of recommendations. US Department of Transportation has deeded over to Caltrans areas on YBI for constructions of the new east span of the bay bridge.
- Community Issues - Muni has increased evening service. The project office will continue to work with Muni to enhance the service to the Island.
- CAC - First meeting was changed because of a conflict with the Board of Supervisors Candidates Night. It's rescheduled for Nov. 13th at 6:30 at Job Corps.
- TIHDI – Discussed under open access and environmental clean up.
- Financial Report – Ms. Conroy reported that revenues are \$1.2 million to date which is on target. Expenses are \$882,345 to date. We have received all of the Cooperative Agreement money for the year. Finance staff is currently involved in closing out final audits for fiscal year 2000.
- Legislation Affairs - No new legislation and no hearings currently scheduled.
- Discussion of Selection of RFQ Consultant- Stephen Proud, Development Director reported that Approximately 1100 people received the ad for the RFQ and 360 books have been sent to date. February 1, 2001 is the due date for RFQ responses. Mr. Proud expressed the need for structure for the evaluation of the submittals and provided suggestions for the review committee. Mr. Proud's first suggestion was to have representatives from various City departments supplemented with outside consultants. Staff would work in an advisory capacity with the consultant. We must wait to see how many responses we receive in order to get an idea of what the consultant's services would cost.

Mr. Morales asked if the Project Office had considered an independent review panel? Mr. Proud replied that some people maybe concerned with the fairness of the process.

Mr. Green asked if the consultants could advise the Executive Director rather than make a recommendation directly to the Authority? Mr. Morales replied that would be an appropriate alternative. Staff also needs to be involved in the recommendation to the Executive Director.

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Adjourn 2:29PM





RECEIVED
NOV 27 2000

*Clipper Cove Youth Sailing
at the Treasure Island Sailing Center*

Carisa Harris
415-387-3243
415-595-3235

Clipper Cove Youth Sailing

November 14, 2000

Dear Members of the Treasure Island Development Authority,

This past summer, Clipper Cove Youth Sailing (CCYS) launched its first organized, full-time youth sailing program. As preparation for spring and summer 2001 classes are already underway, I thought it would be pertinent to update you with a summary of our progress to date, as well as shed some insight on our plans for the future.

For eight weeks, a combination of morning classes and afternoon camps were available to kids involved with a variety of outreach programs including: the Life Learning Academy, the Columbia Park Boys and Girls Club, the Girl Scouts of America, and the Treasure Island Homeless Development Initiative. The feedback from the instructors, the outreach program organizers, and the kids was very enthusiastic and encouraging. It was clear that all involved had a great time learning new skills both on and off of the water.

Sailing instruction took place on both J24's and Optimist trainers, providing the experience of sailing on both large and small boats. As you can imagine, the different boats presented very different challenges to the kids. The J24 was typically sailed by 5-6 kids and an instructor. Due to the large sails, teamwork is critical to maintaining control and sailing the boat properly. As a result, kids learn how to communicate effectively with one another and how to depend on one another to achieve a common goal. In contrast, the optimist trainer is sailed individually. It challenges ones agility, coordination, and overall comprehension of sailing skills. Kids gain a sense of independence and self-achievement as they improve their skills.

All in all, approximately 100 kids have participated in our programs to date. Some may not sail again, and some are sailing again in classes this fall. However, all will remember the skills and lessons they learned, and hopefully, will transfer that knowledge to future challenges they will face.

Although the fall season is a bit quieter, classes for the Columbia Park Boys and Girls Club are on Tuesday and Thursday afternoons. This summer provided a glimpse of the possibilities at the Treasure Island Sailing Center. In addition to attracting world class sailors for national regattas, I am certain that we can build a world class youth program for the communities of the San Francisco Bay Area. However, the viability and success of this program is dependent on the physical improvement of the facility, which is reliant on the long-term lease we can negotiate. In my optimism, I am already planning to increase the number of classes offered this spring and am determined to double our program for the summer of 2001. In addition to accommodating more kids from the programs we already serve, we are also reaching out to more programs and more kids in the Bay area, including those from the San Francisco Educational Services, the Boy Scouts of America, and other districts of the Columbia Boys and Girls Club. Further, we are planning to offer a program for disabled youth.

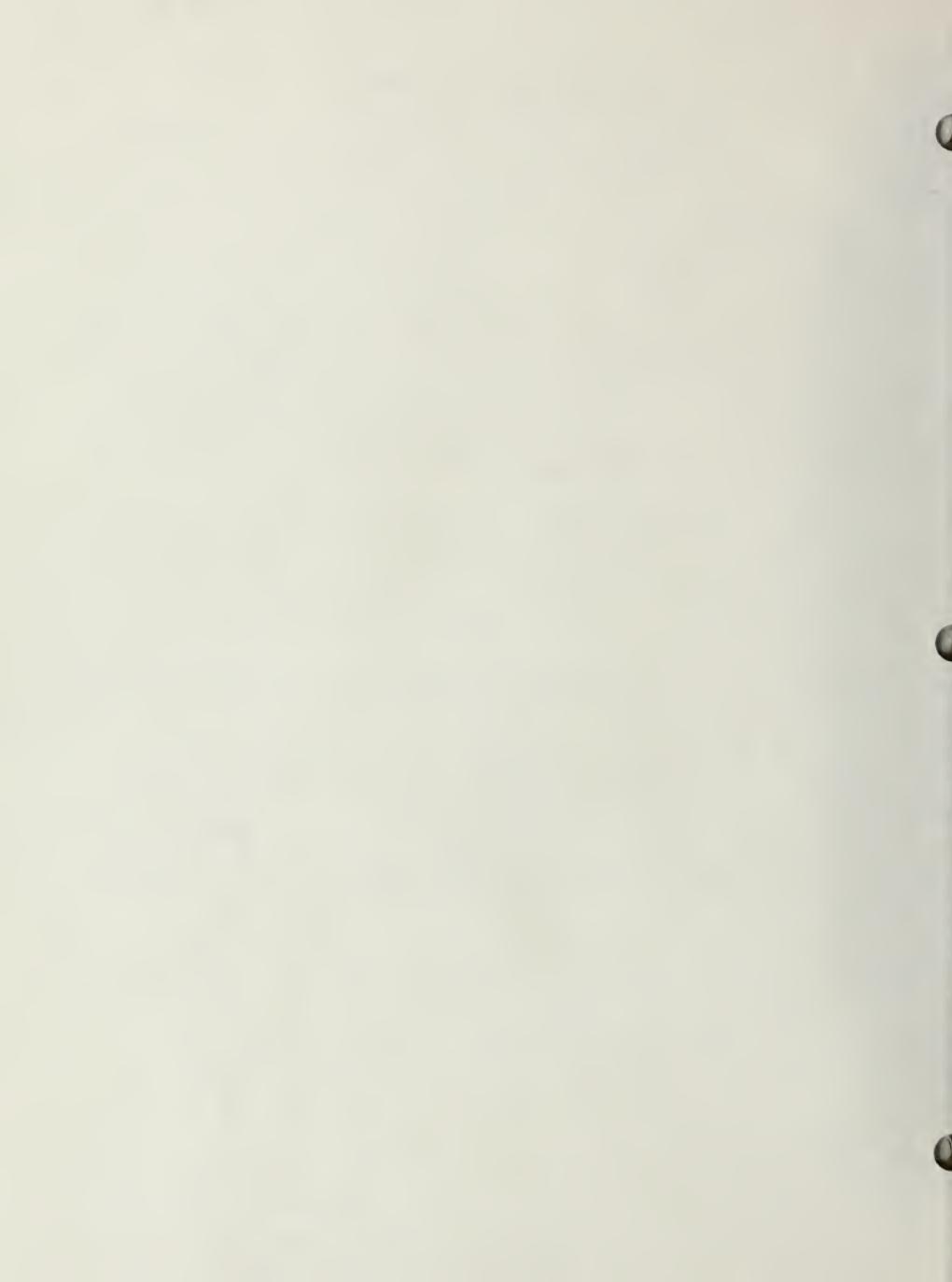
I would like to thank you for the opportunity to provide Clipper Cove Youth Sailing to the community. As a member of both the sailing and the Bay Area community, I feel strongly that sailing be diversified and offered equally to all, regardless of their experience or affiliation with a yacht club. Undoubtedly, the kids, the community, and the sport of sailing will benefit from such programs.

Please feel free to contact me if you have any questions or if you would like to be a guest at one of our classes!

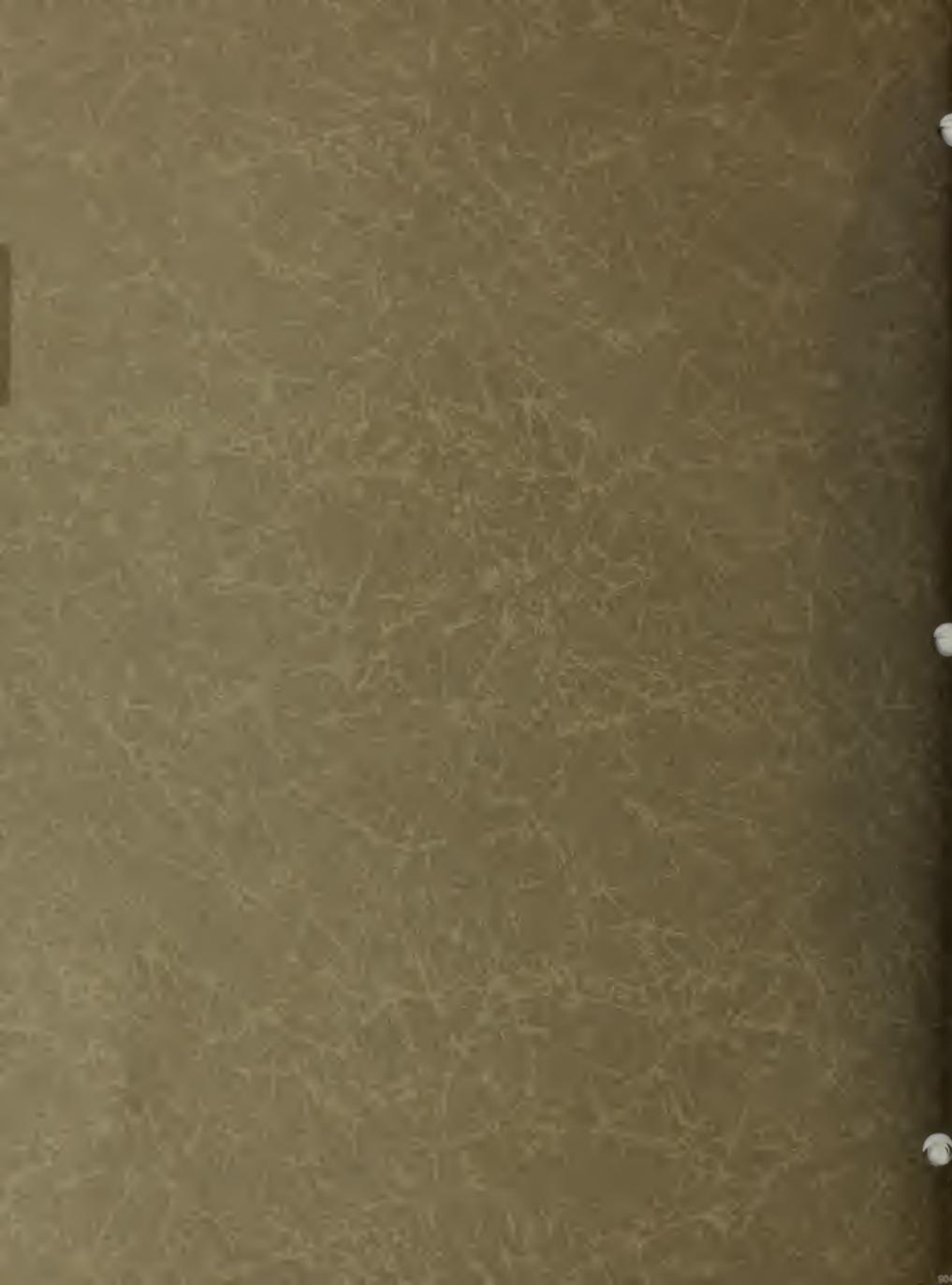
Sincerely,

Carisa Harris-Adamson

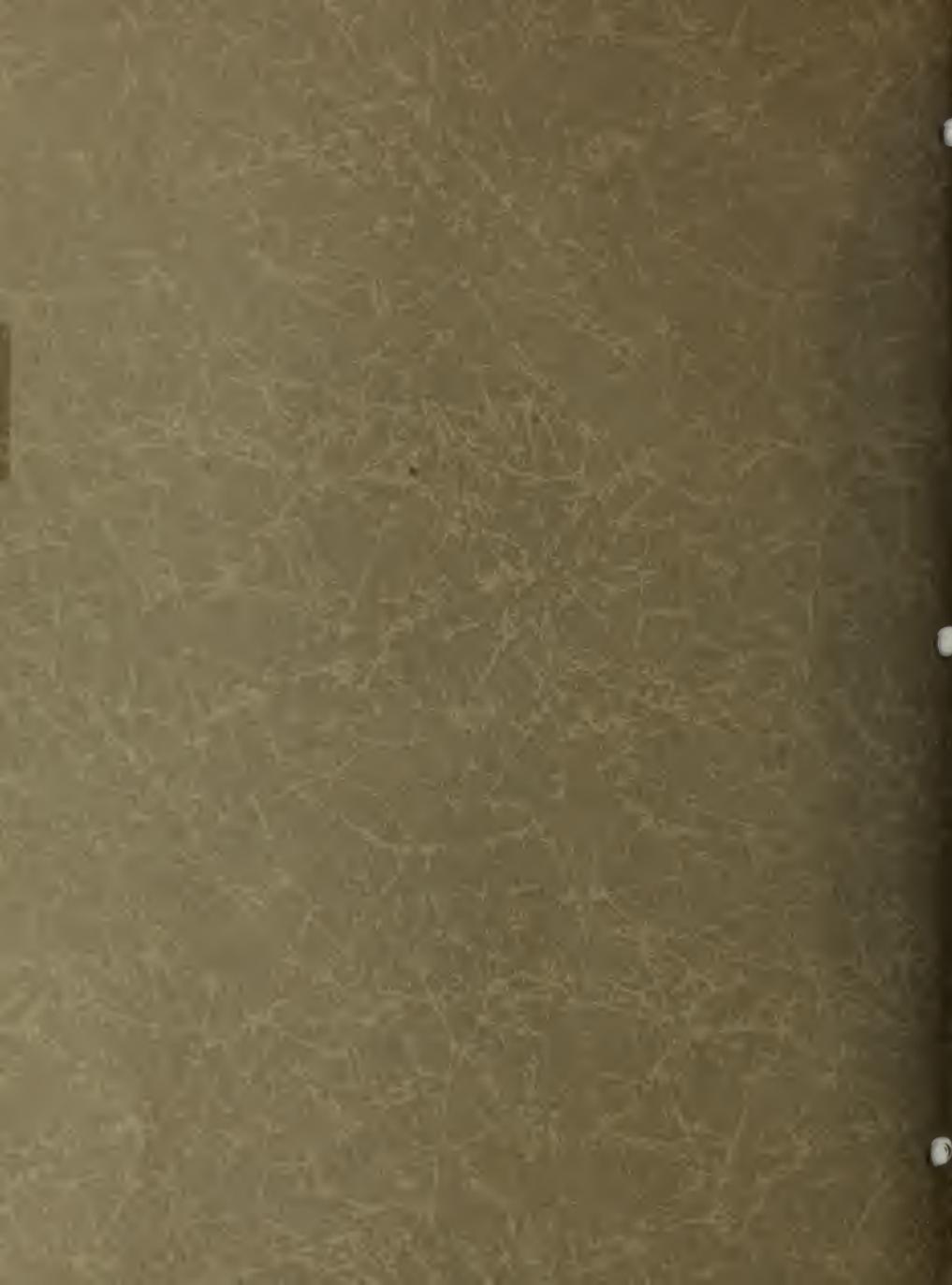
Carisa Harris-Adamson, Board Member
Treasure Island Sailing Center Foundation







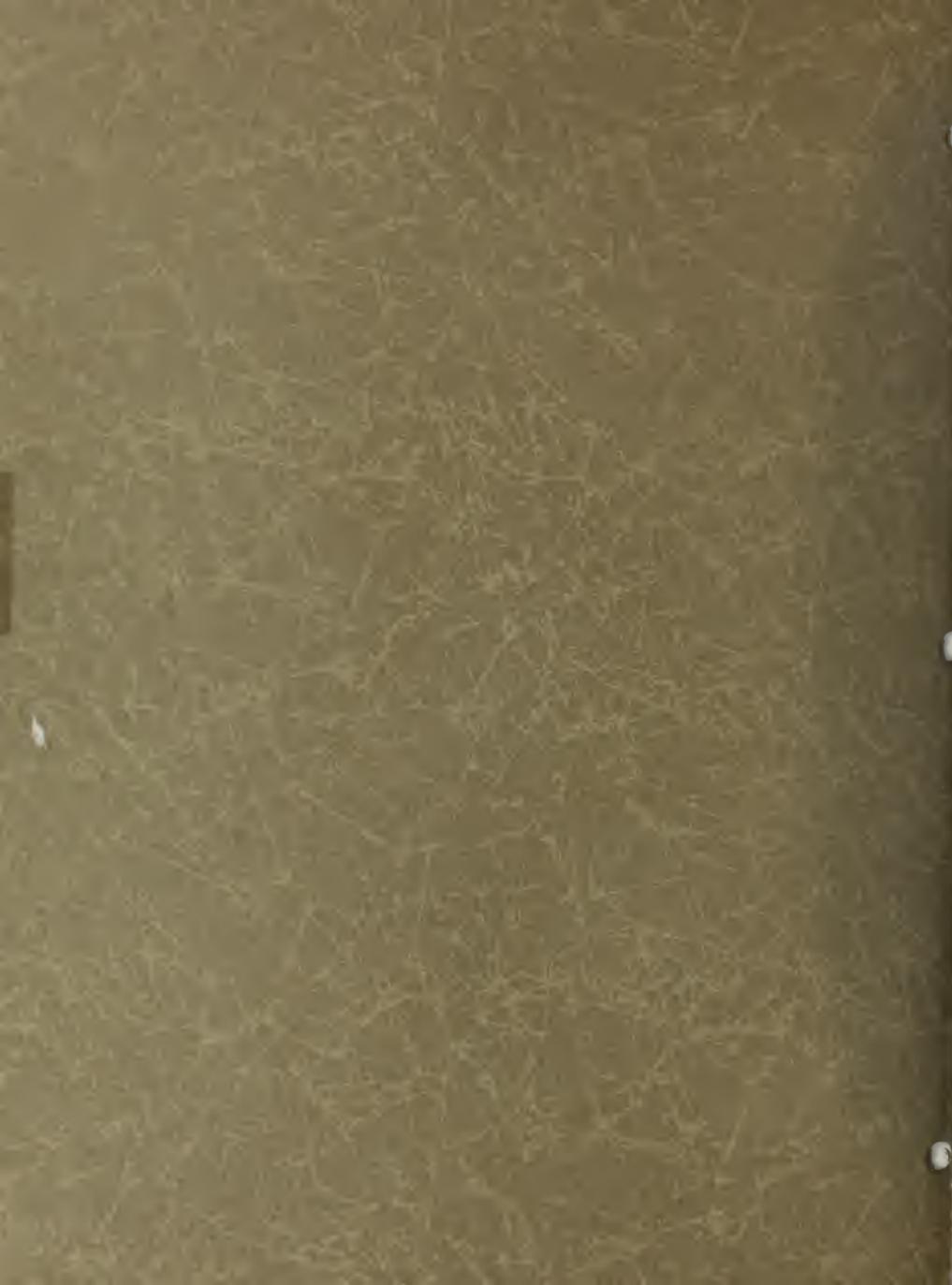












AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution approving By-laws for the
Treasure Island/Yerba Buena Island Citizens Advisory Board

Agenda No: **7**

Contact Person/Phone: Marianne Conarroe
Joan Rummelsburg
(415) 274-0660

Meeting Date: 12/13/2000

SUMMARY OF PROPOSED ACTION:

Staff seeks the approval of the Authority of the By-laws for the Treasure Island/Yerba Buena Island Citizens Advisory Board (CAB).

BACKGROUND:

Last September, Mayor Brown and members of the Board of Supervisors appointed 24 members to the Treasure Island/Yerba Buena Citizens Advisory Board. In determining the mission of the CAB and in guiding the operation of the CAB, Staff consulted with interested persons and other city and state agencies such as the Redevelopment Agency in formulating a set of by-laws. On Monday, November 13, 2000, the Project Office held the initial orientation meeting of the CAB. Members of the Board made comments and suggested changes to the by-laws as drafted. These suggested changes have been incorporated into the by-laws as shown in Exhibit A.

A summary of the salient points of the bylaws are as follows:

- The purpose of the CAB will be the following:
 - to gather public input and opinion from diverse communities in the City and County of San Francisco
 - to provide additional expertise to the Treasure Island Development Authority
 - provide recommendations to the Authority concerning the final reviews and implementation of the draft base reuse plan
 - Provide recommendations regarding policies and objectives for interim reuses, and other matters of importance to the future of Treasure Island and all citizens of San Francisco as the Authority may refer to the CAB from time to time.
 - In providing advice and recommendations, the CAB shall strive to reflect the values and interests of the various communities in the City.
- The first CAB meeting shall be January 18, 2001, and thereafter the CAB shall meet once a month on the third (3rd) Thursday of each month at 6:00 p.m. at a place to be agreed upon by the members of the CAB.
- The term of each member shall be four years beginning on January 1, 2001.



- The Officers of the CAB shall be a Chairperson, a Vice-Chairperson, and a Secretary. Each of the Officers of the CAB shall be elected by a majority of the members at the January meeting each year. The term of office for each Officer shall be one year.
- A quorum shall consist of a majority of the then duly appointed members of the CAB
- Any member who is absent for four of any regularly scheduled meetings during any twelve month period shall automatically be terminated.
- The CAB, including all meetings of the CAB or any Subcommittee or ad hoc committee and any records maintained by the CAB or any of its members, shall be subject to the City's Sunshine Ordinance, the Ralph M. Brown Act, and the Public Records Act.
- CAB by-laws may be amended at any regular meeting of the CAB by a two-thirds (2/3) vote of all duly appointed members.
- All members of the CAB shall be subject to all state and local laws regulating conflicts of interest.

1 [TI/YBI CAB Bylaws]

2 APPROVING THE CREATION OF THE TREASURE ISLAND/YERBA BUENA ISLAND
3 CITIZENS ADVISORY BOARD AND ITS BYLAWS.

4 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
5 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
6 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority
7 as a redevelopment agency under California redevelopment law with authority over former
8 Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base
9 which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands
10 Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such
11 property; and,

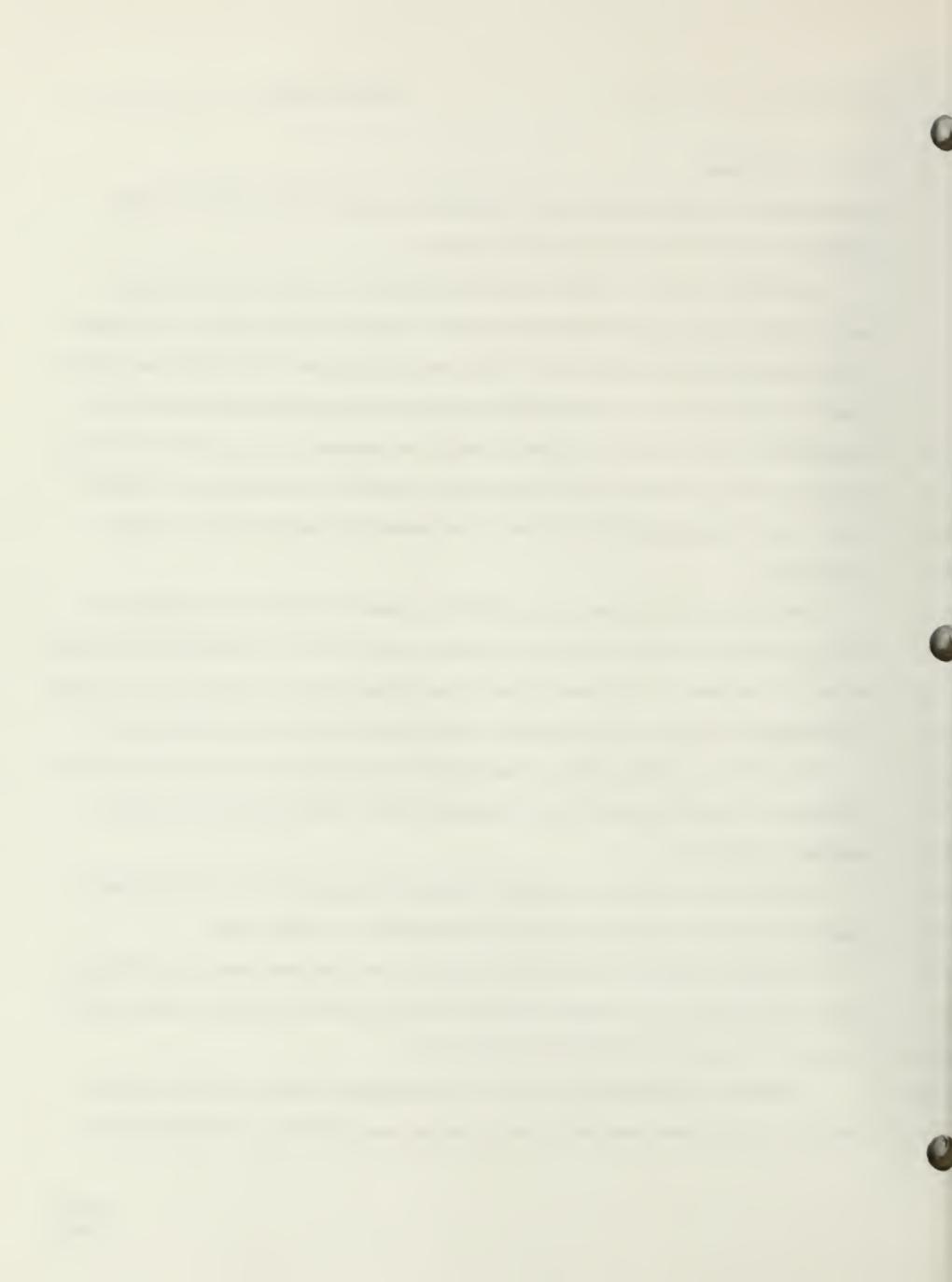
12 WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into
13 private ownership, generally requires that Tidelands Trust property be accessible to the public
14 and encourages public oriented uses of trust property that, among other things, attract people
15 to the waterfront, promote public recreation, protect habitat and preserve open space; and,

16 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
17 redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated
18 February 6, 1998; and

19 WHEREAS, On February 25, 1998, the Board of Directors of the Authority passed a
20 resolution calling for the appointment of a citizens advisory committee; and,

21 WHEREAS, Members of the citizens advisory committee have been appointed by the
22 Mayor and the Board of Supervisors of the City and County of San Francisco in accordance
23 with Board of Supervisors Resolution No. 89-99; and

24 WHEREAS, On November 13, 2000, the Authority staff called an initial orientation
25 meeting of the appointed members of the citizens advisory committee to review proposed



1 bylaws for the committee, and at that meeting the members of the committee recommended
2 certain changes to the bylaws (including, without limitation, the change in the name of the
3 committee to the "Treasure Island/Yerba Buena Island Citizens Advisory Board"), which
4 changes have been incorporated into the bylaws attached hereto as Exhibit A; and,

5 WHEREAS, The Executive Director and the new Treasure Island/Yerba Buena Island
6 Citizens Advisory Board recommend and urge that the Board of Directors for the Authority
7 approve the creation of the Treasure Island/Yerba Buena Island Citizens Advisory Board and
8 its proposed bylaws; now therefore, be it

9 RESOLVED, That the Board of Directors hereby approves the creation of the Treasure
10 Island/Yerba Buena Island Citizens Advisory Board and its bylaws in the form attached hereto
11 as Exhibit A.

12 ////

13 ////

14 ////

15 ////

16 **CERTIFICATE OF SECRETARY**

17
18 I hereby certify that I am the duly elected and acting Secretary of the Treasure
19 Island Development Authority, a California nonprofit public benefit corporation, and
20 that the above Resolution was duly adopted and approved by the Board of Directors of
21 the Authority at a properly noticed meeting on December 13, 2000.

22
23

John Elberling
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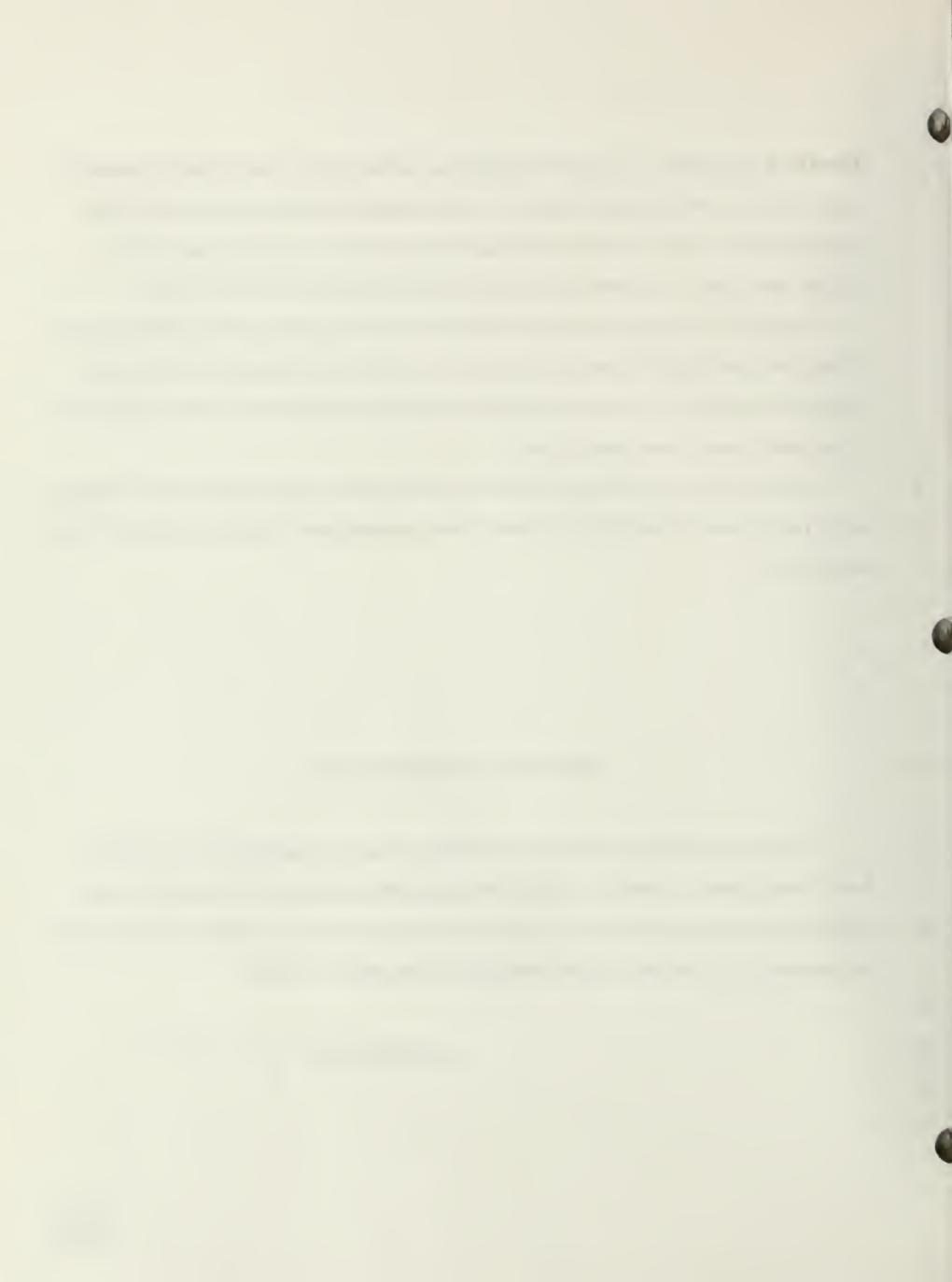


Exhibit A

EXHIBIT A

SURE ISLAND/YERBA BUENA ISLAND

(

Exhibit A

TREASURE ISLAND/YERBA BUENA ISLAND

CITIZENS ADVISORY BOARD

BY-LAWS

ARTICLE I - PURPOSE.

The purpose of the Treasure Island/Yerba Buena Island Citizens Advisory Board (the "CAB") is to gather public input and opinion from diverse communities in the City and County of San Francisco (the "City") and to provide additional expertise to the Treasure Island Development Authority (the "Authority"). Specifically, the CAB will provide recommendations to the Authority concerning the final reviews and implementation of the draft base reuse plan dated July, 1996 (the "Reuse Plan"), policies and objectives for interim reuses, and other matters of importance to the future of Treasure Island and all citizens of San Francisco as the Board of Directors of the Authority may refer to the CAB from time to time. In providing advice and recommendations, the CAB shall strive to reflect the values and interests of the various communities in the City.

ARTICLE II - MEMBERS.

There shall be up to twenty-five (25) members on the CAB, fourteen (14) of whom shall be appointed by the Mayor and eleven (11) of whom shall be appointed by the Board of Supervisors. The term of each member shall be four (4) years beginning on January 1, 2001.

ARTICLE III - OFFICERS.

Section 1. The Officers of the CAB shall be a Chairperson, a Vice-Chairperson, and a Secretary. Their duties shall be as follows:

Chairperson: Presides over CAB meetings; develops the monthly meeting agenda (the "Agenda") in conjunction with the Executive Director (or her designee) of the Authority; appoints subcommittees and subcommittee chairpersons; represents the CAB's actions and decisions to the Authority, other appropriate agencies, and to the community at large, or designates other CAB members to perform such duties.

Vice-Chairperson: Presides over the CAB meetings in the absence of the Chairperson; performs the other duties of the Chairperson in his/her absence.

Secretary: Posts in the office of the Authority, the San Francisco Main Library Government Information Center, and the website for the Authority notices of all regular and special meetings and the Agendas for each such meeting at least three (3) days before the time of the meeting; the meeting notices shall state the time and place of the meeting and the business to be transacted or discussed; all notices and Agendas shall comply with the requirements of the Sunshine Ordinance of the City and County of San Francisco and the Ralph M. Brown Act of the State of California; records and maintains the minutes of all regular and special meetings.

Section 2. Each of the Officers of the CAB shall be elected by a majority of the members at the January meeting each year. The term of office for each Officer shall be one year. If the Chairperson is unable to complete the term of his/her office, the Vice-Chairperson will serve as the Chairperson for the remainder of his/her term. If the Vice-Chairperson or the Secretary is unable to complete the term of his/her office, the CAB may hold an election at a regular or special meeting for a Vice-Chairperson or Secretary (as the case may be) to serve out the remainder of his/her term.

Section 3. Any Officer of the CAB may be removed by a vote of two-thirds (2/3) of the duly appointed members of the CAB, provided that any proposed removal of any Officer shall be duly placed on the Agenda and the proposed removal is considered at a duly noticed regular meeting of the CAB.

ARTICLE IV - MEETINGS

Section 1. The first CAB meeting shall be January 18, 2001, and thereafter the CAB shall meet once a month on the third (3rd) Thursday of each month at 6:00 p.m. at a place to be agreed upon by the members of the CAB.

Section 2. Special meetings of the CAB may be called at any time by the Chair or a majority of the members of the CAB by written notice to each member of the CAB and to any other entity or person legally required to receive notice of CAB meetings. Notice shall be received at least three (3) days before the time of the meeting, and the notice shall include the time and place of the meeting and the business to be transacted.

Section 3. A quorum shall consist of a majority of the then duly appointed members of the CAB ("Quorum"). Once a Quorum is established, the CAB may vote on all matters duly placed on the Agenda before the CAB.

Section 4. No action, requiring a vote, will be taken by the CAB on any matter unless that matter has been placed on the Agenda for possible action. The vote of a majority of the members present at a meeting after a quorum has been established is required for passage of any motion or other action requiring a vote by a CAB member, provided that the vote of at least a Quorum is required for passage of any such motion or action. Each

member must be physically present. No proxy or absentee ballots may be counted towards acceptance or denial of any motion or other action requiring a vote. Presentations from the public and discussions on any Agenda items may take place at a duly noticed meeting without a Quorum present. Members of the CAB who are unable to attend a meeting of the CAB may communicate their written opinions of any matters on the Agenda for such meeting, and such members' written opinions will be circulated to the other CAB members at the meeting provided that the Secretary receives a copy of the written opinion(s) at least four (4) days prior to the date of the meeting.

Section 5. Beginning on January 1, 2001, any member who is absent for four (4) of any regularly scheduled meetings during any twelve (12) month period shall automatically be terminated. Any resulting vacancy shall be filled for a new term. If the vacancy is an appointee of the Board of Supervisors, the Board of Supervisors shall appoint the replacement. If the vacancy is an appointee of the Mayor, the Mayor shall appoint the replacement.

ARTICLE V - PUBLIC COMMENT

The CAB shall provide opportunity for public comment on all items to be recommended to TIDA in a manner consistent with the Rules of Order for official City Commissions.

ARTICLE VI - SUBCOMMITTEES

Section 1. Subcommittees and Ad Hoc Committees may be established by the Chairperson as the Chairperson deems necessary.

Section 2. Each subcommittee or ad hoc committee shall consist of at least three (3) CAB members appointed by the Chairperson.

ARTICLE VII - PARLIAMENTARY AUTHORITY

The rules contained within the current edition of Robert's Rules of Order (Newly Revised) shall govern all CAB and any subcommittee or ad hoc committee meetings except where they are inconsistent with these bylaws.

ARTICLE VIII - SUNSHINE ORDINANCE

The CAB, including without limitation, all meetings of the CAB or any Subcommittee or ad hoc committee and any records maintained by the CAB or any of its members, shall be subject to the City's Sunshine Ordinance, as the same may be amended from time to time, as well as the provisions of the Ralph M. Brown Act (Sections 54950 et seq. of the

Government Code) and the Public Records Act (Sections 6250 et seq. of the Government Code) of the State of California, as those laws may be amended from time to time.

ARTICLE IX - AMENDMENT OF BY-LAWS

These by-laws may be amended at any regular meeting of the CAB by a two-thirds (2/3) vote of all duly appointed members of the CAB regardless of whether such members are present and voting, provided that the proposed amendment was submitted in writing to each CAB member at the previous regular meeting and the proposed amendment is approved by the Board of Directors of the Authority.

ARTICLE X - CONFLICT OF INTEREST

All members of the CAB shall be subject to all state and local laws regulating conflicts of interest (including without limitation, the Political Reform Act and Government Code Sections 1090, et seq.) and City ordinances proscribing conflicts of interest and incompatible activities as well as the provisions of Section C8.105 of the Charter of the City and County of San Francisco.





AGENDA ITEM
TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Agenda Item No. 8

Meeting of December 13, 2000

Subject: Request for Approval of Cooperative Agreement with the U.S. Navy for the period October 1, 2000 through September 30, 2001

Contact/Phone: Annemarie Conroy, Executive Director
Robert Mahoney, Deputy Executive Director
274-0660

SUMMARY OF PROPOSED ACTION

Authorize execution of a modification to the Cooperative Agreement with the U.S. Navy for the period October 1, 2000 through September 30, 2001 for an amount not to exceed \$145,000.

DISCUSSION

The City and the Navy entered a Cooperative Agreement (CA) in March 1997 to assist the City with the costs of caretaker services for closed naval station Treasure Island (TI) while the City and the Navy negotiated the transfer of TI to the City. The caretaker services budget established by the Navy was based on Navy costs to achieve Navy standards, not City costs to achieve City standards. The initial CA provided \$2,058,214 to the San Francisco Public Utilities Commission to address expenses related to preparations to operate and maintain TI utility services (including water, wastewater, storm water, electric and gas utility systems). There have been three subsequent modifications to the CA: October 1, 1997 through September 30, 1998 for \$4,000,000 and October 1, 1998 through September 30, 1999 also for \$4,000,000; and October 1, 1999 through September 30, 2000 for \$2,500,000.

The Navy had intended to stop supporting the transition of Treasure Island from the Navy to the City at the end of federal fiscal year 2000 (September 30, 2000), incorporating Navy policy to reduce funding for caretaker services as land areas under lease to the Authority increase, and land areas remaining under the Cooperative Agreement decrease. The Navy advised the Project Office that FY 2000 would be the final year of funding for caretaker services.

Acknowledging that there still are parcels of Treasure Island that will not be leased to the authority for revenue generation and the continued operation of the Navy's Caretaker Site Office (CSO) in TI Building One, the Navy, in response to lobbying by the TI Project staff, has offered to provide an additional \$145,000 to fund maintenance on TI. This sum would be used to help provide utilities to the CSO and public services to non leased areas of TI.

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Pursuant to the Board of Supervisors Resolution establishing the Treasure Island Development Authority, modifications to the Cooperative Agreement must be referred to the Board of Supervisors for its approval as a contract in excess of \$1 million.

RECOMMENDATION

Staff recommend approval and authorization to send the Cooperative Agreement to the Board of Supervisors for its approval.

COOPERATIVE AGREEMENT BUDGETS March 1997 through September 2001

Function	Total	10-01-00 through 09-30-01	10-01-99 through 09-30-00	10-01-98 through 09-30-99	10-01-97 through 09-30-98
Public Safety	\$3,325,000	0	\$325,000	\$1,500,000	\$1,500,000
Telephone Cable Maintenance	100,000	0	50,000	50,000	0
Grounds Maintenance	1,358,000	0	250,000	500,000	608,000
Building/Street Maintenance	3,485,000	\$80,000	1,213,000	1,200,000	992,000
CA/Personal Property Mgt.	850,000	0	500,000	250,000	100,000
Utility Services/Maintenance*	3,585,214	65,000	162,000	500,000	2,858,214
TOTAL	\$12,703,214	\$145,000	\$2,500,000	\$4,000,000	\$6,058,214

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AUTHORIZING EXECUTION OF A MODIFICATION TO THE COOPERATIVE AGREEMENT TO EXTEND THE AGREEMENT FOR THE PERIOD OCTOBER 1, 2000 THROUGH JUNE 30, 2001, FOR AN AMOUNT NOT TO EXCEED \$145,000.

WHEREAS, former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The City and County of San Francisco and the United States Navy entered into a Cooperative Agreement to enable the Navy to help fund caretaker and other maintenance activities that the City and subsequently the Authority would perform on behalf of the Navy

WHEREAS, the Authority and the Navy wish to extend the term of the Cooperative Agreement for the period October 1, 2000 through June 20, 2001 for an amount not to exceed \$145,000;

Now, therefore be it RESOLVED, That the Authority hereby authorizes the Executive Director of the Project to execute a modification of the Cooperative Agreement to extend the term for the period October 1, 2000 through June 30, 2001 for an amount not to exceed \$145,000, and to forward the Agreement to the Board of Supervisors for its consideration.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 13, 2000.

John Elberling, Secretary

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UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00011

EXHIBIT A

COOPERATIVE AGREEMENT



UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00011

COOPERATIVE AGREEMENT

GRANTEE:

CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 PALM AVE., BLDG 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

AUTHORITY: Section 2905(a)(1)(B) of Public Law 101-510

COOPERATIVE AGREEMENT MODIFICATION:

The purpose of this modification, in accordance with Section 701 of the General Provisions, is to extend the Cooperative Agreement for FY2001 from 01 January 2001 to 30 September 2001 in accordance with Section 701 of the basic agreement.

As mutually agreed herein, by both parties, the costs of extended caretaker services shall be borne exclusively of and by the caretaker, maintaining the closed Naval Station Treasure Island in accordance with minimal caretaker levels meeting health and safety standards.

The agreement will remain subject to the terms and conditions as follows:

1. The general provisions, terms and conditions of the basic cooperative agreement remain unchanged.
2. Delete Functional Annexes (Annexes 3, 4 and 6), Table of Contents and Consolidated Cost Estimate, from Modification P0008 in their entirety.
3. Insert the Table of Contents, Functional Annexes (Annexes 3, 4 and 6) with their associated Technical Execution Plans, Consolidated Cost Estimate and Detailed Cost Summaries, as incorporated herein into the Cooperative Agreement.
4. Correct previously issued Modification P0009 to read P00010.

As a result of this Modification, the total amount of the Cooperative Agreement is increased by \$145,000.00 from \$12,558,213.00 to \$12,703,213.00.

PAYMENT WILL BE MADE BY: DFAS San Diego.

BS 1797XXXX0510 KQ00 0252 38111 0 068732 2A 000000 BS000R025819 \$145,000.00

For the CITY AND COUNTY
OF SAN FRANCISCO
TREASURE ISLAND
DEVELOPMENT
AUTHORITY as Caretaker:

For the U.S. Navy

By: _____
MAYOR

By: _____
ROBERT BOYER
Grants Officer

CLERK OF BOARD OF SUPERVISORS

ANNEMARIE CONROY
Treasure Island Development Authority Executive Director

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By: _____
DEPUTY CITY ATTORNEY

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SECTION I

REQUIREMENTS STATEMENT

LOCATION

This agreement concerns the operations, maintenance and protection of the closed Naval Station (NS) Treasure Island. NS Treasure Island closed operationally at the end of September 1997. The term "closed Naval Station Treasure Island" refers to those areas and facilities that have not been transferred to the United States Department of Labor, United States Coast Guard, or leased to the Caretaker.

The operation and maintenance of Navy facilities that are licensed or leased to the City of San Francisco are excluded from this agreement.

GOVERNMENT FURNISHED PROPERTY, EQUIPMENT, AND MATERIAL

Government Furnished Property, Equipment and Material (GFP/GFE/GFM) is property, equipment, or material that is provided to the Caretaker to reduce the cost of this agreement or to assist the Caretaker in start-up. GFP/GFE/GFM held by the Caretaker continues to be owned by the Navy until consumed or returned. The Caretaker is responsible to provide proper care, maintenance, and security of GFP/GFE/GFM. Property, equipment, and material purchased by the Caretaker and reimbursed by the Navy is considered GFP/GFE/GFM.

ORGANIZATION

The agreement is divided into six (6) functional annexes. For ease of reading, each annex follows a standard format that is briefly described below.

1. Description

This paragraph generally defines the scope of services to be provided under the agreement.

2. Concept of Operations

This paragraph provides additional descriptions of the services, and operations and maintenance functions that are included in the annex. Standards for the services and functions are those of the service provider.

3. Technical Execution Plans (TEPs)

There is a Technical Execution Plan (TEP) appended to each annex within this document. Prior to this modification, the TEP(s) were separate documents. The TEPs are being appended to each of the functional annexes so that the result will be a fully integrated and self-contained document that is an integral part of this agreement. The OIC, Caretaker Site Office, will use these plans when developing the Navy quality assurance program.

The TEPs are management tools for both the City and the Navy. The TEPs form the technical basis for reimbursement by the Navy to the City for the work performed by the City in the process of assuming the ownership and management of Treasure Island. The City's budgets in Section III will track to the objectives of the TEPs.

The TEPs identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog, scheduled completion dates, and work execution plans. They include a methodology for tracking and documenting reductions in workload and allowable cooperative agreement expenditures associated with leasing, licensing, or transfer of properties to the City of San Francisco or other entity.

The Caretaker will advise the Grants Administrator and the OIC, Caretaker Site Office, of significant changes to the plan.

4. Government Furnished Property/Equipment

This section, located in Functional Annex 5, refers to a list of government property and equipment that the Navy shall provide to the Caretaker for performing CA services and functions.

5. Section III, Consolidated Cost Estimate and Detailed Budget Summaries

This section contains consolidated cost estimates for the full term of the Cooperative Agreement. Costs may be reallocated among annexes with prior approval of the Navy Grants Administrator. Reallocation must occur within the term of the agreement, be within the original Cooperative Agreement scope, and not exceed the total estimated cost agreed upon in this modification for the total of all the annexes.

6. Allowability of Indirect Expenses

Article V Costs, Section 502, Advance Agreements on the Allowability of Costs, Part B of the basic cooperative agreement states "indirect costs, as such costs are defined in OMB Circular A-87, shall be unallowable". This does not mean that all indirect expenses are unallowable but that the allowability of indirect expenses will be governed by OMB Circular A-87.

TERMS AND ACRONYMS

Several terms and acronyms frequently appear in the text of the functional annexes. A list brief of these terms and acronyms follows:

Caretaker	The City of San Francisco
CA	Cooperative Agreement
CSO	The Navy Caretaker Site Office located at the closed Naval Station Treasure Island.
GFP/GFE	Government Furnished Property/Government Furnished Equipment
NS	Naval Station
SOP	Standard Operating Procedure
TIDA	Treasure Island Development Authority or Authority.
TI	Treasure Island
YBI	Yerba Buena Island

The term "closed Naval Station Treasure Island" refers to those areas and facilities that have not been transferred to the United States Department of Labor, United States Coast Guard, or leased to the Caretaker.

SECTION II

FUNTIONAL ANNEXES

FUNCTIONAL ANNEX 1

POLICE, SECURITY, FIRE, AND EMERGENCY MEDICAL SERVICES

PART 1

LAW ENFORCEMENT SERVICES

1.1. Description

1.1.1. The Law Enforcement Services in this agreement is the same or similar to services provided by the City of San Francisco Police Department for public protection and handling of criminal offenses. Services apply to the closed Naval Station. These services include law enforcement under the jurisdiction of the court system of the County of San Francisco and the State of California. They also include police services and animal control services, as currently practiced by the City of San Francisco.

1.2. Concept of Operations

The Caretaker shall provide police services to the closed Naval Station Treasure Island in accordance with established standards of the City of San Francisco.

The Caretaker shall provide a response to all emergency and non-emergency calls for service, traffic enforcement, animal control services and other services normally provided by the San Francisco Police Department to the population of the City of San Francisco.

PART 1.A
SECURITY SERVICES

1.A.1. Description

1.A.1.1. Security services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to protect government property (facilities and personal property) and control access to the Navy owned property.

1.A.2. Concept of Operations

1.A.2.1. The Caretaker, shall provide security services as described below.

1.A.2.2. The Caretaker shall establish 24-hour security patrols ~~to~~ for the former NS Treasure Island to control access and deter unauthorized entry to or removal of Navy-owned property.

1.A.2.3. All security personnel shall wear uniforms distinguishing them as part of an official security workforce. Security vehicles shall also have distinguishing security markings.

1.A.2.4. Security personnel shall have full-time radio communication capability with each other and with the San Francisco Police Department. Security personnel shall immediately call for a Police response if they detect any indication of a crime being committed or committed previously.

1.A.2.5. Security personnel are not authorized to carry firearms.

1.A.2.6. The Caretaker shall provide all supplies and equipment necessary to perform the security service.

PART I.B

FIRE PROTECTION/SUPPRESSION AND EMERGENCY RESPONSE SERVICES

1.B.1. Description

The Fire Protection/Suppression and Emergency Response Services, hereinafter called the "Fire Protection", includes services which involve the operation of a fire reporting communications center, fire operations, fire prevention inspections, rescue, hazardous materials first responder, emergency medical first responder, and ambulance service. Maintenance of the fire protection facilities shall be accomplished under the Building Maintenance Services Annex (Annex 4) to this agreement.

1.B.2. Concept of Operations

The Caretaker shall provide Fire Protection services to the closed Naval Station Treasure Island in accordance with established standards of the City of San Francisco.

The Caretaker and the Navy shall work cooperatively to minimize/eliminate operations and maintenance costs for Fire Protection services for those areas of the closed NS that have limited or no reuse potential.

The Caretaker shall conduct fire inspections in all Caretaker Facility Maintenance Level I, II, III, and IV facilities. The term "Levels" refers to standards established by the Navy for Caretaker Levels as described in CNO letter Ser N444B dated 6 Oct 1994 located in the CSO's office.

The Caretaker shall conduct periodic visual inspections of fire alarm systems and fire protection systems (which include automatic sprinkler systems, standpipe systems, and other extinguishing systems). Routine inspections shall be performed on operational systems. Systems that have not been certified or are presently out-of-service or lacking proper maintenance or repair shall remain out of service or shall be placed in an out-of-service status by the Caretaker. Engineered fixed extinguishing systems shall be placed in an out-of-service status in all vacant buildings.

The Caretaker shall respond to release of hazardous materials for Naval Station property, and provide initial clean-up of such releases, except for releases due to Navy operations. Hazardous materials response shall include a response to spills which affect the surrounding bay waters directly or via the storm drain system.

The Caretaker shall incorporate the closed NS into the City of San Francisco's disaster preparedness and emergency management programs.

The Caretaker shall maintain maps, records, and drawings related to the Fire Protection function as listed in Technical Exhibit I-1. All records and maps shall be available to the Navy upon request.

The Caretaker shall attend meetings involving all major changes to the infrastructure, building occupancy and use, demolition of structures, and planned public events that impact safe occupancy limits.

TECHNICAL EXECUTION PLAN
FOR
ANNEX 1
PUBLIC SAFETY

1. The missions of the San Francisco Police and Fire Departments, with regards to operations on Treasure Island and Yerba Buena Island (TI/YBI) are:

- a. To safeguard the well being of residents, employees and visitors to TI/YBI.
- b. To protect and insure the security of property and buildings located on TI/YBI.
- c. To interact and liaison with other local and federal government agencies located on the islands.
- d. To assist and coordinate efforts to maintain front gate security and prevent fires on TI/YBI.
- e. To proactively meet with residents and employees of the Islands and to engage in partnership and dialogue which will form the basis of future community problem solving efforts.
- f. To protect the lives and property on TI/YBI from fire, natural disasters, hazardous materials incidents.
- g. To save lives by providing emergency medical services.
- h. To prevent fires through prevention and education programs.

Assignment of Responsibility:

Police Department: Overall, responsibility for staffing and policing of the Islands will remain with the San Francisco Police Department, Treasure Island Station. Overall, operational command of police services will be the responsibility of Captain Rich Cairns.

Fire Department: Overall, responsibility for staffing and policy in regards to the Islands will remain with the Chief of the Fire Department or their designee. Overall, operational command will be the responsibility of the Chief of the Fire Department or his designee.

Staffing and Tours of Duty:

Police Department: Police staffing of the Islands will be on a continual 24-hour, seven-day a week basis. Deployment will be as follows:

Day Watch (0600-1600): One Captain, One Sergeant, Two Patrol Officers, and One Light Duty Station Officer.

Swing Watch (1400-2400): Two Patrol Officers.

Midnight Watch (2100-0700): Two Patrol Officers.

Supervision: Units assigned to the Islands shall be under the supervision of their respective unit supervisors. Supervisors shall remain available to respond to TI and YBI as needed. Supervisors will make periodic visits to their personnel on the Islands as part of their regular supervisory responsibilities.

Fire Department: Fire Department staffing of the Islands will be on a continual 24-hour, seven-day a week basis.

Deployment is as follows: Total Fire Department personnel assigned to the Islands currently consists of One Captain, six Lieutenants and 20 Fire Fighters. In addition, the Battalion Chief of District 03 and his aide have temporarily relocated their headquarters to Treasure Island Fire Station until further orders from

the Chief of the Department. Their staffing consists of 3 Battalion Chiefs and 3 Chief's Aides. Current daily staffing consists of 2 Officers and 4 Firefighters. They work on a 24-hour shift from 0800 to 0800. Additionally, Basic Life Support (BLS) Ambulance service has been established during 1999. Although a Battalion Chief and Chief's Aide are currently quartered at Treasure Island, they are not exclusively dedicated to the Islands. They are still responsible for their district in San Francisco that includes the Bay Bridge, Treasure Island and Yerba Buena Island. The above cited staffing levels shall be maintained, subject to the continued provision of necessary funding to support the staffing. However, minimum levels required for any San Francisco community will be maintained.

In addition to the current Fire Department staff on TI, in the case of an incident, the incident commander will have available to them any and all units of the San Francisco Fire Department including: the Fire Boat, Hazardous Materials Unit, Pollution Control Unit, Heavy Rescue Squads, Cliff Rescue, Water Rescue, Emergency Medical Service, etc. The department anticipates the assignment of one paramedic to the Islands on each watch in exchange for one firefighter on each watch in early to mid 2000.

Duties of Department:

Police Department: Upon arrival at TI/YBI, officers will meet with the off-going watch to exchange any pertinent information. Officers shall check the incident/information clipboard at the station prior to commencing patrol. Officers are responsible for the security of Island property, residents, and visitors. This entails the diligent investigation and documentation of any suspicious incidents, persons, vehicles, etc. that they encounter during their tour of duty. All incidents will be documented on incident reports, memoranda, or field interrogation cards, as appropriate. Officers will be responsible for conducting diligent patrol of the Islands unless they are engaged in investigations or report preparation at the Station. Officers will maintain a cooperative liaison with Treasure Island gate security, and respond promptly to any of their calls for assistance or back up. Officers will coordinate with the San Francisco Department of Animal Care and Control as required. Copies of all incident reports and memoranda will be maintained at the TI Station for informational purposes. Police personnel will maintain their presence on the Islands at all times. During the midnight watch, units may leave the Islands only for exigent circumstances, and with the permission of the supervisor.

Fire Department: The duties of the Fire Department will be to respond to structural fires, auto fires, trash fires, grass fires, vessel fires, medical emergencies, hazardous materials incidents, cliff rescues, water rescues, investigation of building alarms, and other emergencies on TI/YBI and the San Francisco Bay Bridge. Inspection and fire prevention programs will be administered by the Department's Bureau of Fire Prevention.

Points of Contact:

Police Department:

Commander Portoni	553-1527
Captain Cairns	984-0642 pager: 998-8487
Sergeant McCloskey	984-0645 pager: 804-5349
Officer Clyburn	984-0645
Officer Achim	
Officer Schlink	
Officer Gaan	
Officer Kosewic	
Officer Marchand	
Officer Barker	
Officer Fox	

Officer Frenkel
Points of Contact:

Fire Department:	
Emergency Number	911
Division 1	558-3501 or 558-3213
Firehouse Business	558-3248

FUNCTIONAL ANNEX 2
TELEPHONE CABLE MAINTENANCE SERVICES

2.1. Description

2.1.1. The telephone cable system for the closed Naval Station (NS) Treasure Island consists of all existing cables, conduits, connections, and terminals located throughout the base with the exception of cable plant, conduit and related infrastructure which is owned by the local service provider (providing service to housing and lodging facilities). The system is located primarily underground running through utility ducts accessible through manholes. Termination boards are located in building structures. The main termination board is located in Building 1.

2.2. Concept of Operations

2.2.1. Lease of the Telephone Cable System to the Treasure Island Development Authority: The Navy owned utility infrastructure serving former Naval Station Treasure Island, including the telephone cable system, may, subject to the prior approval of the Authority and the San Francisco Board of Supervisors, be leased to the Authority. In that event, the continued operation of the telephone cable system by the Caretaker would be subject to the provisions of that lease. Accordingly, provision of this Agreement pertaining to maintenance of the telephone cable system would be void upon execution of such a lease.

2.2.2. Operations Under This Agreement Prior to Leasing

2.2.2.1 The Caretaker, will maintain the telephone cable system in an operable condition.

2.2.2.2 The Caretaker and the Navy will work cooperatively to minimize/eliminate maintenance costs for the system that serves those areas of the closed NS with limited or no reuse potential.

2.2.2.3 The Caretaker shall conduct system maintenance and repairs necessary to provide a safe, operational telephone cable system. The Caretaker and the Navy will work cooperatively, using sound engineering judgment, to identify optimum corrective solutions for system deficiencies.

2.2.2.4 The Navy will provide a full set of maps and drawings related to the telephone system to the Caretaker. Subsequently, the Caretaker will maintain such maps and drawings and will make them available to the Navy, upon request, to provide documentation in support of system conveyance.

2.2.2.5 The Caretaker will normally provide the Navy Caretaker Site Office with a minimum of 1-week notification of scheduled service outages.

TECHICAL EXECUTION PLAN
FOR
ANNEX 2
TELEPHONE SERVICES

1. The following procedure is to be used by City Departments on Treasure Island/Yerba Buena Island (TI/YBI) when reporting trouble with telephone services:

- a. The Department will call (415) 550-2747 Department of Telecommunications and Information Services (DTIS) Dispatcher and report the trouble, giving as much detail as possible.
- b. DTIS Dispatcher will open a trouble ticket with Pacific Bell or dispatch a DTIS Technician to the site.
- c. Pacific Bell will close the ticket with the DTIS Dispatcher or report that the service is good to the Main Point of Entry (MPOE).
- d. Lucent Technologies will clear the trouble with the Dispatcher.

2. The following procedures will be used by non-City Entities on TI/YBI when reporting trouble with their telephone services:

- a. Client will follow their internal trouble reporting procedures.
- b. If Pacific Bell determines that the service is good to the MPOE, and a problem still exists, then Pacific Bell will contact the DTIS Dispatcher at (415)550-2747.
- c. DTIS Dispatcher will contact Lucent Technologies and open a trouble ticket for cable troubleshooting.
- d. Lucent Technologies will clear the trouble with the Dispatcher. Any charges for repairs will be passed along to the client.

3. Preventative Maintenance of cable trunks and switch gear shall be per the Cooperative Agreement. Any outstanding repairs shall be reported weekly during the Navy/City meeting.

FUNCTIONAL ANNEX 3

GROUNDS MAINTENANCE SERVICES

3.1. Description

3.1.1. Grounds maintenance services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to provide caretaker level maintenance and repair to improved grounds. The grounds maintenance function includes grass cutting, irrigation, weed control, tree trimming and removal, litter control, perimeter fence repairs, roadways, and culvert cleaning.

3.1.2. Grounds maintenance services include coverage of the entire closed NS. Grounds maintenance services shall not be provided for areas under control of the USCG, DOL, and leased or licensed property to the Caretaker.

3.2. Concept of Operations

The Caretaker shall perform grounds maintenance work to all areas on closed Naval Station Treasure Island that have not been transferred to the Department of Labor or the United States Coast Guard, and have not been leased to the Caretaker. Grounds maintenance shall be performed to two standards:

Level 2 Services

Turf Grass Mowing and Associated Cleanup: Turf areas shall be mowed an average of two times per month. Turf grass height shall be maintained between 2 inches and 4 inches at all times. Prior to mowing, all trash, papers, and other debris shall be removed from turf areas. Surface imperfections such as gopher mounds shall be leveled out. All edges along curbs, sidewalks, roadways, and other paved areas, and around light poles, hydrants, light guards, and signs shall be trimmed once per month. Tree wells shall be maintained around all trees and large shrubs growing in lawn and turf areas. All clippings shall be cleared from walkways, roadways, and other paved areas.

Trees and Shrubs: All trees and shrubs shall be pruned to provide safe passage, maintain a healthy and pleasing appearance, and prevent interference with pedestrians and vehicular traffic. Trees and shrubs shall be treated as necessary to prevent disease, fungus, and insect damage. Shrub beds shall be kept free of weeds, debris, sucker growth, and dead plant material.

Irrigation: Minimum irrigation shall be performed in a manner that promotes good appearance of landscaped areas. Irrigation shall include the watering of lawns, shrubs, trees, ground cover and containerized plants. Caretaker shall provide back-flow prevention devices approved by the San Francisco Department of Public Works on all hoses that are used for watering and all connections made to fire hydrants.

Weed control in Paved Areas: Weeds shall be removed from all asphalt and other paved areas. Herbicides shall be applied to prevent re-growth.

Policing, Debris Removal, and Storm Damage Cleanup: All maintenance areas shall be policed at least twice per month to remove debris, leaves, paper, dead limbs, bark, pine needles, etc. Debris, silt, and vegetation shall be removed from gutters, curb inlets, and gratings. Debris from storms shall be removed as soon as possible.

Playground, Sandboxes, Ball Fields, and Tennis Courts: Playgrounds, sandboxes, ball fields, and tennis courts shall be kept free of weeds and debris. Sandboxes shall be raked once a week to remove foreign objects.

Level 3 Services

Mowing and Associated Cleanup: Grass and weeds shall be cut 12 times per year. Prior to mowing, all trash and debris, including leaves, paper and other objects within the maintenance area shall be removed. Grass/weeds shall be maintained at a uniform height of not less than 2 inches and not more than 5 inches.

Trees and Shrubs: All trees and shrubs shall be pruned as required to encourage proper health and to maintain a pleasing appearance. Any extensive pruning or "cut back" shall be accomplished in the winter or during the dormant season. Ivy and ground cover shall be kept a minimum of eight inches (8") from shrubs and trees. Shrub beds shall be kept free of weeds, debris, sucker growth, and dead plant material.

Weed Control in Paved Areas: Weed shall be removed from all asphalt and other paved areas four times per year. Herbicides shall be applied to prevent re-growth.

Policing, Debris Removal, and Storm Damage Cleanup: All maintenance areas shall be policed at least twice per month to remove debris, leaves, paper, dead limbs, bark, pine needles, etc. Debris, silt, and vegetation shall be removed from gutters, curb inlets, and gratings. Debris from storms shall be removed as soon as possible.

Playground, Sandboxes, Ball Fields, and Tennis Courts: Playgrounds, sandboxes, ball fields, and tennis courts shall be kept free of weeds and debris. Sandboxes shall be raked once a week to remove foreign objects.

Irrigation: Level 3 areas shall not include any irrigation.

3.2.2. The Caretaker shall provide a Facility Manager who shall manage all functions related to Grounds Maintenance.

3.2.3. The Caretaker shall provide Facility Inspectors who shall execute the facility inspection program in conjunction with the Navy CSO staff. The Facility Inspectors shall work directly for the Facility Manager.

3.2.4. The Caretaker and the Navy shall work cooperatively to minimize/eliminate operations and maintenance costs for grounds which have limited or no reuse potential.

3.2.5. The Caretaker shall provide all supplies and equipment necessary to perform the grounds maintenance service, except as indicated in 3.4 below.

3.2.6. The Caretaker execution workforce shall occupy and use the City Department of Public Works spaces in Public Works Department spaces in Building 325 as a local shop and storage space.

TECHICAL EXECUTION PLAN
FOR
ANNEX 3
GROUNDS MAINTENANCE

1. Per the contract between TIDA and Rubicon Enterprises, dated March 1999, the grounds maintenance of the Islands will be maintained in an appropriate manner. The monthly invoice for these services, under the requirements of the Cooperative Agreement, will be per Annex 5, Financial Management.
2. The Caretaker Site Office Treasure Island holds a copy of the contract, for historical and quality assurance purposes.

FUNCTIONAL ANNEX 4
BUILDING AND ROADS MAINTENANCE SERVICES
PART 1: BUILDING MAINTENANCE

4.1. Description

4.1.1. Building Maintenance Services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to provide caretaker level maintenance and repair to Navy owned buildings and structures which are vacant and laid-away pending reuse. The number of facilities covered by this agreement shall decrease as buildings and land parcels are leased to the City of San Francisco for reuse. All building systems are covered by this annex, including structural systems, electrical systems, mechanical systems, roofing systems, fire suppression/alarm systems, and installed related equipment, such as elevators and hoists. Pest control within buildings is also included in this annex. The level of maintenance effort for any particular building shall be in accordance with Navy policy on facilities in layaway status (provided separately from this agreement) and the designated "caretaker level" assigned by the Navy CSO in coordination with the City of San Francisco related to reuse potential. In general, maintenance work shall be performed to a level that limits deterioration by providing a weather-tight facility secure from entry. "Improvements" to buildings in a layaway status are not allowable under this agreement.

4.1.2. This functional applies to the areas on the "Closed Naval Station Treasure Island".

4.1.3. The Caretaker shall use a portion of Building 1 and Building 225 for performance of the Building Maintenance Services function.

4.2. Concept of Operations

4.2.1. The Caretaker shall perform building maintenance work on structures in accordance with Caretaker standards and special requirements for "Historical" buildings, which will be finalized in a separate document.

4.2.2. The Caretaker shall provide a Facility Manager, who shall manage all functions related to Building Maintenance Services and Roads/Grounds Maintenance covered in Annex 5.

4.2.3. The Caretaker shall provide Facility Inspectors who will execute the facility inspection program in-conjunction with the Navy CSO staff. The Facility Inspectors shall work directly for the Facility Manager.

4.2.4. The Caretaker shall perform the majority of the work effort of this function using in-house City of San Francisco Public Works Department personnel and supervision, including both field and technical engineering support. The Caretaker may obtain specialty functional support via contract.

4.2.5. The Caretaker shall provide 24 hour, on-call, emergency response and repair capability to secure situations that threaten the property, such as broken water pipes, secondary electrical failures, significant roof leaks, etc.

4.2.6. The Caretaker shall inspect buildings according to established schedules to identify required building maintenance work. The Caretaker shall order required work for accomplishment by in-house personnel or contract.

4.2.7. The Caretaker shall also maintain active buildings under this agreement used by the Navy and City of San Francisco Caretaker staffs including those used by the CSO, CA Manager, Facility Manager, Fire Department, Security and Public Works. The maintenance work for these buildings includes emergency/service calls and boiler maintenance. The Caretaker will provide all supplies and equipment necessary to perform the building maintenance service.

4.2.8. The Caretaker shall pickup, store and dispose of any abandoned waste on the closed NS Treasure Island, including YBI, per applicable regulations. This does not include waste generated by Navy environmental remediation work.

The Caretaker shall properly store all Hazardous Materials and Hazardous Waste it handles, other than such materials and waste generated by Navy operations. The Caretaker shall not use the Navy's Hazardous Waste Generator Identification number for disposal of Hazardous Materials and Hazardous Waste not generated by Navy operations.

PART 2: ROADS MAINTENANCE

4.A.1. Description

4.A.1.1. Road services includes management, supervision, and work execution required to provide maintenance and repair to paved roadways at a level not less than Caretaker's standards for the City. The roads maintenance function includes asphalt repair, concrete repair, street striping, street sweeping, roadway above ground culvert cleaning, traffic signage repair, and sidewalk repairs.

4.A.1.2. Roads maintenance services include coverage of the entire closed NS. Roads maintenance services shall not be provided for areas under control of the USCG, DOL, and leased or licensed property under this agreement.

4.A.2. Concept of Operation

4.A.2.1. The Caretaker shall perform roads maintenance work on the entire closed base in accordance with City standards in two levels:

Level A is the standard level of maintenance used for areas with public access and active interim reuse in the local area.

Level B is the level of maintenance used in areas of little to no public access with no interim reuse in the local area.

4.A.2.2. The Caretaker shall provide a Facility Manager who shall manage all functions related to Roads Maintenance and Building Maintenance.

4.A.2.3. The Caretaker shall provide Facility Inspectors who shall execute the facility inspection program in conjunction with the Navy CSO staff. The Facility Inspectors shall work directly for the Facility Manager.

4.A.2.4. The Caretaker shall work cooperatively with the Navy CSO staff in the execution of work associated with this functional.

4.A.2.5. The Caretaker shall perform the majority of the work effort of this functional using contracted support through the City Public Works Department.

4.A.2.6. The Caretaker and the Navy shall work cooperatively to minimize/eliminate operations and maintenance costs for roads which serve those areas of the closed NS that have limited or no reuse potential.

4.A.2.7. The Caretaker shall pickup, store and dispose of any abandoned waste on the closed NS Treasure Island, including YBI, per applicable regulations. This does not include waste generated by Navy environmental remediation work.

The Caretaker shall properly store all Hazardous Materials and Hazardous Waste it handles, other than such materials and waste generated by Navy operations. The Caretaker shall not use the Navy's Hazardous Waste Generator Identification number for disposal of Hazardous Materials and Hazardous Waste not generated by Navy operations. The Caretaker shall provide all supplies and equipment necessary to perform the building maintenance and roads maintenance service.

4.A.2.8. The Caretaker execution workforce shall occupy and use the City Department of Public Works spaces in Public Works Department spaces in Building 225 as a local shop and storage space.

**TECHICAL EXECUTION PLAN
FOR
ANNEX 4
BUILDING AND ROADS MAINTENANCE**

1. Purpose

This document provides operational procedures for the management of maintenance and repairs to roads and facility structures on Treasure Island (TI) and Yerba Buena Island (YBI). Included are responsibilities for furnishing professional engineering support services, and the management of the Plan Room located in Building one. This plan is a working document and may be changed, altered, amended or revised due to actual field conditions, circumstances or mutual agreement.

2. Work Execution for Buildings and Roads Maintenance

Offices and Work Spaces: Office space in Building 1 is the Department of Public Works (DPW) base of operations, office space and contact point with other agencies, departments and civilians. The fenced, lockable and paved area surrounding building 225 (auto/hobby shop) is currently being used by DPW to store vehicles and equipment. Building 225 itself is used for storage, repair, and a staging area and as auxiliary offices.

Employee Assignment: Line and or staff personnel are assigned to fulfill the DPW duties and responsibilities at Treasure Island in the most economical and efficient way possible. Therefore, the on site DPW personnel will confine their role to Cooperative Agreement responsibilities except as specifically requested and funded by the Office of the Mayor's Treasure Island Project.

On site personnel will be assigned from but not limited to Stationary Engineers or other crafts and personnel. All assigned or dispatched personnel will be journey level craft persons, construction laborers, custodial personnel, or an appropriate level manager or supervisor.

Regular Inspection and Maintenance of Facilities Covered by the Cooperative Agreement: Regular inspections will be conducted along with routine maintenance by on-site staff or assigned craft personnel as required to maintain those structures mutually agreed upon by the U. S. Navy and the City under the Cooperative Agreement. Major repairs when and if authorized will be assigned to the Bureau of Building Repair, DPW Craft Shops or contracted out. Maintenance and repair of alarm systems, fire suppression systems, roofing, elevators, hoists and other specialized systems will be contracted out to private vendors as deemed appropriate by DPW.

Levels of inspection and maintenance undertaken and performed will be determined by the lay up levels [lay up levels are synonymous with maintenance levels as used here] as specified in CNO letter Ser N444B dated 6 Oct 1994. Inspection and repairs performed will follow guidelines in the referenced Building Repair caretaker Maintenance Schedule. Any disagreements on interpretation by DPW of actual levels or condition encountered or recorded should be reduced to writing and presented to the City and County by the Navy for discussion, interpretation and mutual decision. City and DPW interpretations will prevail and be undertaken unless specific disagreement are brought to their attention and agreed to by the City.

Tenant Occupied and Non-Cooperative Agreement Facility Maintenance and Repair: Tenants (private or public) of facilities and other departments may contract with the Bureau of Building Repair, DPW for facility management or repair services through Interdepartmental Work Orders. All work order services will be completed expeditiously and according to prevailing industry standards. Scheduling of regular or one-time repair will be at the availability of materials and personnel. Emergencies involving life, health or safety issues will receive priority status.

Street and Grounds Maintenance: The Bureau of Building Repair will maintain liaison with those DPW entities responsible for street and grounds maintenance at the Treasure Island/Yerba Buena site. The Bureaus of Street Environmental Services and Street Repair will report to Building Repair on conditions, regular schedules of work, and problems that arise from these areas. The Bureaus will report, through appropriate channels, on a regularly basis to the Navy. Both Street Environmental Services and Street Repair will maintain complete records of all work, repairs and costs. Regular street cleaning undertaken by the Bureau of Street Environmental Services will be confined and specifically limited to regular mechanical sweeping of paved streets covered by the Cooperative Agreement but not those covered by a lease or license agreement. Repair and maintenance of streets by the Bureau of Street Repair will be confined to those paved streets covered by the Cooperative Agreement but not those covered by a lease or license. Actual repairs will be confined to reasonable repairs or emergency backfill after notification of a problem or circumstance. Resurfacing of streets by the Bureau of Street Repair will be done with prior approval by the Navy.

2B. Work Execution for Professional Engineering and Plan Room Services

DPW will provide engineering support as required for the proper maintenance and repairs of the roads and facility structures on TI and YBI. Engineering support will include DPW coordination efforts with other City agencies, and technical expertise involving the civil, electrical, mechanical, structural, architectural, and landscape architectural fields.

Plan Room management will be established to facilitate retrieving plans previously organized by the Navy. DPW does not intend to have full-time staff stationed at TI to provide Plan Room related services. However, DPW through its Bureau of Engineering will dispatch personnel to TI to provide Plan Room related services on an as-needed basis. Procedures will be implemented to provide documents to requesters timely.

Reproduction equipment turned over by the Navy is limited to small-scale reproductions only. Reproduction equipment does not have reducing or enlarging capabilities. DPW will implement procedures to use reproduction services provided by an outside vendor. To recoup reproduction costs which are not charged to the Navy, DPW intends to charge a flat fee of \$5.00 per sheet (irrespective of drawing size) when such outside reproduction services are utilized. Payment shall be by check made payable to DPW, and shall be due at the time of document pickup.

To properly manage control of the Plan Room, access will be limited to only DPW personnel. All requests for plans and reports shall be directed to (415)558-4061 or (415)558-4067.

3. Reporting Procedures

The Mayor's Office and the Navy will schedule regular meetings on site. The purpose of these meetings will be to:

- report on the previous work and events
- report on special work scheduled for the next period of time
- report on grounds and streets as appropriate
- advise the Navy and Mayor's Office of possible future problems

Records of all inspections, deficiencies noted, and corrections made will be recorded and available for review by the Navy upon request and sufficient notice. A log of all Plan Room requests received will be provided to the Navy on a monthly basis.

Around the clock emergency response will be available through the Department of Public Works. During normal business hours, calls should be placed to the Bureau of Building Repair personnel stationed at Treasure Island either at their offices or pager numbers. If Building Repair personnel are not immediately available at the Naval Station, a Project Coordinator at our Bureau offices at Telephone (415) 695-2030 can be contacted for assistance. Emergency calls after hours, on weekends and holidays should be placed to the Department of Public Works Emergency Hotline at (415) 695-2020. Requests for assistance through the Department's Hotline will be directed 7-days a week to the appropriate Operations bureau or other entity.

4. Allocability and Voucher Preparation

An existing computerized system will be utilized to track costs for both labor and materials. Costs for work covered under the Cooperative Agreement will be encumbered and charged against Mayor's Office funds that have been work ordered to the Department of Public Works through the City Work Order system. Those Navy funds allocated to the Department of Public Works for work undertaken under the Cooperative Agreement will have a single identifying Job Order Number. All work performed under the Cooperative Agreement will be charged to and identified by this number. Non-Cooperative Agreement work requested by the Mayor's Office Treasure Island Project will be charged and identified by a different and separate Job Order Number provided by the Mayor's Office. The Department of Public Works will, in general, defer the interpretation of, direction to perform and responsibility for deciding whether any particular work, job or project should be charged against funds encumbered for Cooperative Agreement work to the Mayor's Office Treasure Island. Work requested by and performed for other City departments or other entities at the closed Naval Station will be charged to and identified by separate Job Order Numbers.

In cases of life, health or safety, only remedial repairs or procedures to alleviate an immediate threat will be undertaken without prior approval.

5. Animal and Pest Control

Any animal or pest control problem mutually considered by the Navy and the City to be covered by the Cooperative Agreement will be referred to private vendors as approved by the City or deemed appropriate by the Department of Public Works. Pest Control services will be conducted in accordance with the Integrated Pest Management Policy adopted by the City and attached.

6. Recall List

A limited, current and updated telephone list will be provided to the U. S. Navy and the Mayor's Office Treasure Island Project staff. The Mayor's Office, Navy and tenants are directed to use the Department of Public Works Emergency Hotline at Telephone (415)695-2020 to obtain assistance or request off hour response of DPW personnel.

Vehicle Logistics

1. Purpose

The purpose of this section is to delineate the conditions, locations, and maintenance of Navy vehicles assigned to the Department of Public Works.

2. Vehicle Use and Assignment

The Navy assigned vehicles to the Department of Public Works, Bureau of Building Repair. These are used by on-site personnel and shops located within the City to transport personnel and materials to, from and around Treasure Island. In order to utilize, maintain, and fuel these vehicles, however, it is necessary to park the vehicles at various San Francisco Public Works locations for periods of time up to several days depending on servicing requirements and staffing availability. The vehicles not assigned to a specific shop serving Treasure Island will be stored inside the locked enclosure surrounding Building 225 (Auto Hobby Shop).

3. Department of Public Works Responsibilities

DPW assumes primary responsibility for performing regular vehicle maintenance and repairs. All service and fueling will be accomplished through the City Purchaser's Central Shops, funded through the Mayor's Office to DPW for the Treasure Island Project. In addition, vehicles assigned to DPW will have a number assigned and placed on vehicle front doors along with a City Seal. Navy identifying numbers and lettering will be retained through the course of this agreement.

4. General Conditions of Use

Vehicles will in general be reserved for service of the closed Naval Station facilities. The Department reserves the right to substitute City owned vehicles for servicing Treasure Island if maintenance, equipment, or scheduling requirements so indicate.

FUNCTIONAL ANNEX 5

PERSONAL PROPERTY MANAGEMENT AND COOPERATIVE AGREEMENT SERVICES

5.0 Personal Property Management

5.1. Description

5.1.1. The Personal Property Management Service for the closed NS Treasure Island includes the management and work execution resources necessary to maintain accountability for government owned personal property remaining at the closed base. The personal property is grouped into several broad categories, including property staged for reuse, property issued for reuse, property issued to the Caretaker to support the cooperative agreement, and property retained by the Navy to support CSO operations.

5.1.2. The personal property is stored in various locations throughout the closed NS. Items with a value of greater than \$5,000 are inventoried and listed individually in a personal property database developed by the Navy. Items of less than \$5,000 are in bulk inventory and listed by bulk line item in the database.

5.2. Concept of Operations

5.2.1. The Caretaker will provide a Personal Property Manager who will manage all functions related to the control and accountability of all remaining government owned personal property, including storage, security, inventory, issue/receipt, and data base maintenance.

5.2.2. The Caretaker will cooperate with the Navy CSO staff in the execution of work associated with this function.

5.3. Government Furnished Property/Equipment (see the Technical Exhibits section to this annex)

5.3.1. The Caretaker shall manage and update changes to the GFP/GFE Technical Exhibits and submit updated copies to the Navy for review.

FUNCTIONAL ANNEX 5.A

COOPERATIVE AGREEMENT MANAGEMENT

5.A. Cooperative Agreement Management

5.A.1. Description

5.A.1.1. The Cooperative Agreement Management function has six primary purposes: provide dedicated, over-arching execution management of the entire agreement, coordinating execution among Police, Fire, Public Works, City support staff, and City contractors (including utility companies) providing support to this agreement.

- a. coordinate directly as one component of a three-part management team with both the local Navy Engineering Field Activity West (EFA West) representatives and City of San Francisco staff.
- b. provide resources for City general and administrative (G&A) costs incurred by the City in support of this agreement, including senior City management support, personnel administration, legal counsel, information systems support, contracting support, and financial management support.
- c. provide dedicated information system capability to construct and maintain a bridge from Navy controlled information to City controlled information.
- d. provide dedicated financial management capability to ensure all Caretaker costs that are allowable and allocable to this agreement are captured.
- e. provide dedicated management of plan and blueprint inventory, distribution, and copying of repository located in room 14A of Building 1.

5.A.2. Concept of Operations

5.A.2.1. The Caretaker shall provide a Cooperative Agreement (CA) Manager to lead and manage the City's efforts under this agreement. This CA manager shall coordinate directly with the Director of City of San Francisco Treasure Island Project Staff, the Director of Public Works, the Chief of Police, the Chief of Fire Department, and other City staff members. The CA Manager shall be the City's primary point of contact to the Navy on all matters related to this agreement.

5.A.2.2. The CA Manager shall participate in the development of the full range of functional management plans. The CA Manager shall ensure the functional management plans are carefully developed and submitted for Navy approval by the dates required.

5.A.2.3. The CA Manager shall maintain important data, records, maps, and drawings related to the closed Naval Station.

5.A.2.4. The Caretaker shall establish and maintain appropriate accounting records required to satisfy applicable Federal audit requirements and as backup information for invoices provided to the Navy for payment.

5.A.2.5. The CA Manager and staff shall work cooperatively with the Navy and City of San Francisco staff to develop integrated management processes to ensure effective and efficient use of resources.

5.A.2.6. The CA Management staff shall collocate with the Navy CSO in Building 1 on the closed NS.

5.A.3. Invoice Verification Procedures

5.A.3.1. Quality Assurance Inspections

5.A.3.1.1 The Caretaker shall provide a copy, upon request, of the Caretaker work order listing for all work ordered under the Cooperative Agreement to the CSO OIC.

5.A.3.1.2 The CSO OIC or his designated representative will annotate the work order listing showing the projects, scheduled for completion during the current month, that will be inspected. The listing will then be returned to Caretaker.

5.A.3.1.3. The CSO OIC or his designated representative shall conduct inspections documenting findings using an Inspection Form, and file this form in the monthly invoice verification file for the current month located in the CSO Cooperative Agreement files.

5.A.3.2. Invoice Verification

5.A.3.2.1. The Caretaker shall provide copies of both the *Monthly Expenditure Summary Report* and the detailed *Cooperative Agreement Monthly Reports* to the CSO OIC as soon after their publication as possible (generally the second week of month following the report period). The *Monthly Expenditure Summary Report* is a report prepared by the Caretaker that provides a summary of the current FY budget, direct and indirect costs expended during the month, total monthly costs, cumulative annual costs, FY balance, percent of budget expended and previous month cumulative costs for each budget line item. The detailed *Cooperative Agreement Monthly Report* is a report prepared by the Caretaker which summarizes costs by Work Order No., function charged (or type work accomplished), employee no., date charged, and labor, material, equipment, contract costs, and total costs.

5.A.3.2.2. The CSO OIC or his designated representative will review these reports, applicable Work Request Authorizations, and all inspection reports.

5.A.3.2.3. If no questioned or disallowed costs are noted, the CSO OIC or his designated representative shall forward the invoice (Standard Form 1034 and Standard Form 1035A) to the Grants Administrator for processing of payment. The CSO OIC shall also complete a copy of the *Invoice Verification Memorandum* and forward this memorandum to the Grants Administrator.

5.A.3.2.4. For any questioned or disallowed costs, the CSO OIC will schedule a meeting with Caretaker to review and reconcile the disputed costs. The meeting will be scheduled to occur within five working days of receipt of *Monthly Expenditure Summary Report* and the detailed *Cooperative Agreement Monthly Report*.

5.A.3.2.5. During the meeting outlined above, the CSO OIC, and/or his designated representative, and Caretaker will reconcile all problem areas found by the CSO OIC during the review. The Caretaker will take informal meeting minutes indicating agreed upon changes and disputes and provide a copy to the CSO OIC. The Caretaker will make any agreed upon corrections and resubmit a corrected copy of the monthly expenditure summary to the CSO OIC within two working days of the meeting.

5.A.3.2.6. Immediately upon resubmittal of the corrected copy of the Monthly Expenditure Report, the CSO OIC shall submit the invoice (Standard Form 1034 and Standard Form 1035A) to the Grants Administrator for payment.

5.A.3.2.7. Where Agreement cannot be reached between the parties with regards to the contents of the invoice, the disagreement will be noted and dispute remedied as stipulated under Article X of the Cooperative Agreement.

Copies of all documentation referenced above shall be filed in the CSO invoice verification file.

**TECHICAL EXECUTION PLAN
FOR
ANNEX 5
FINANCIAL & PERSONAL PROPERTY MANAGEMENT PLAN
FINANCIAL MANAGEMENT PLAN**

This Technical Execution Plan (TEP) for Financial Management will guide the allocation of expenses reimbursable under the Cooperative Agreement between the Treasure Island Development Authority (Authority) and the U.S. Navy and expenses that are not reimbursable under the Cooperative Agreement.

The Authority and the Navy entered a Cooperative Agreement (CA) to assist the Authority with the maintenance of the facilities and infrastructure of the former Naval Base Treasure Island (which includes the portions of both Treasure Island and Yerba Buena Island owned by the Navy) on behalf of the Navy; while the Authority and the Navy negotiate the conveyance of the former Navy base TI. The CA establishes six categories of activities or functions, the Authority will perform for the Navy, as well as a budget for each, as summarized in Table 1, "Cooperative Agreement Services". Additionally, the Authority has leased from the Navy various TI buildings and facilities for interim uses during the negotiation period. The expenses the Authority incurs to maintain and operate buildings and facilities it leases are excluded from reimbursement under the CA.

The Authority established Index Code 210029 to account for the services it performs which are potentially reimbursable for the period October 1, 2000 through December 31, 2000. The Authority may incur expenses which are greater than the amounts shown in Table 3, CA Invoice Schedule, however, the Navy will not reimburse the Authority for amounts greater than shown in Table 3.

Expenses not reimbursable under the CA will be charged to other Index Codes based on the location and activities the Authority is authorized to undertake through its leases with the Navy. These Index Codes are summarized in Table 2, "Treasure Island Development Authority Budget Summary by Index Code". Note that the expenses the Authority incurs to maintain and operate buildings and facilities it leases are excluded from reimbursement under the CA.

The Authority will bill the Navy monthly for expenses incurred under the Cooperative Agreement. For all functions the Authority will bill at the rate of 1/12 of the agreed maximum annual expense and summarized in Table 3.

Table 1: COOPERATIVE AGREEMENT SERVICES

Functional Annex	Description	Index Code 210011 Budget
1	Public Safety (Police, Fire, Security, Emergency Medical)	\$0
2	Telephone Cable Maintenance	\$0
3	Grounds Maintenance	\$55,000.00
4	Building and Roads Maintenance Services	\$25,000.00
5	CA & Personal Property Management	\$0
6	Utility Services & Maintenance	\$65,000.00
	TOTAL	\$145,000.00

Table 2: TIDA BUDGET SUMMARY BY INDEX CODE [MIG1]

Index Code	Description	Budget
210009	Treasure Island Administration	\$
210016	Treasure Island Special Events	\$
210017	Yerba Buena Island Special Events	\$
210018	TI Film Studio & Commercials Rentals	\$
210019	TI Film Permits	\$0
210020	YBI Film Permits	\$0
210021	TI Marina	\$
210022	TI Housing	\$0
210023	YBI Housing	\$0
210010	Federal OEA & EDA Grants	\$0
210011	TIDA/Navy Cooperative Agreement	\$
210012	State of California Grants	\$0
	TOTAL	\$

Table 3: CA INVOICE SCHEDULE [MIG2]

Functional Annex	Annual Budget	Monthly Invoice
1-Public Safety	\$0.00	\$0.00
2-Telephone Cable Maintenance	\$0.00	\$0.00
3-Grounds Maintenance	\$55,500.00	\$5,500.00
4- Building and Roads Maintenance Services	\$25,000.00	\$2,500.00
5-CA & Personal Property Management	\$0.00	\$0.00
6-Utility Services	\$65,000.00	\$6,500.00
TOTAL	\$145,000.00	\$14,500.00

PERSONAL PROPERTY MANAGEMENT PLAN

The Treasure Island Development Authority (TIDA) Project office will provide property management services in a cooperative effort with the CSO until the ultimate conveyance of all property to the City.

A master list of all property issued for re-use and property issued to the caretaker for support of the Cooperative Agreement shall be maintained by the TIDA Project Office in both hard copy and electronic form. The TIDA Project Office will make weekly backups of its data bases.

Property will be requested on a standard form from a City department. The request will flow through the Facilities Manager, the TIDA Executive Director, and the CSO. The Facilities Manager will distribute the property if the request is approved at each level.

The control, inventory, accountability and responsibility to maintain the assigned property shall be the responsibility of the department receiving the property. The receiving department shall be responsible for maintaining the property to City department standards. All City departments that receive property shall maintain it in proper working order for its expected life. All vehicles and equipment received will be surveyed annually and their condition report forwarded to the Facilities Manager and CSO. All surplus property will be disposed of in timely fashion in a way that meets with the CSO's approval. The City Departments shall be responsible for the disposal of property assigned to them.

Technical Exhibit 1-1
Public Safety (Fire Protection and Emergency Services)
Documentation
RECORD KEEPING SERVICES

Records, documentation, recorded or documented instructions and record keeping systems: Fire department recorders, documentation, instructions, reference, training materials, and their systems will include but not be limited to:

- a) Fire prevention records, documentation, instructions, reference and training materials.
- b) Fire suppression records, documentation, instructions, reference and training materials.
- c) Hazardous materials records, documentation, instructions, reference and training materials.
- d) Emergency/Medical services records, documentation, instructions, reference and training materials.
- e) Fire alarm maintenance records, documentation, instructions, and reference materials.
- f) Fire Department communications equipment maintenance records, documentation, instructions, and reference materials.
- g) Water system maintenance records, instructions and reference materials.
- h) Vehicle maintenance records, instructions, and reference materials.
- i) Fire fighting equipment maintenance records, instructions, reference and training materials.
- j) Disaster preparedness records, documentation, instructions, reference and training materials.
- k) Training records and documentation.
- l) Response records and documentation.
- m) Utility back-up systems records, documentation, instructions, reference and training materials.
- n) Records, and documentation relating to construction, utilities, seismic studies, hazardous material abatement, remodeling and/or retrofitting, and layout.

Technical Exhibit 1-2
Public Safety (Police and Security Services)
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 1-3
Public Safety (Fire Department)
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 2-1
Telephone Cable Maintenance Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 3-1
Grounds Maintenance Services
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 4-1
Building Maintenance Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 4-2
Roads Maintenance Services
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 5-1
Personal Property Management Services
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 5-2
Cooperative Agreement Management Services
Government Furnished Property

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-1
Utilities Services
Government Furnished Property/Equipment

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Electrical Power Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Water Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Sanitary Sewer Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Natural Gas Services
Government Furnished Property and Equipment

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Storm Water Control Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

FUNCTIONAL ANNEX 6

UTILITIES SERVICES

6.1. Description

6.1.1. The Utilities Services function provides for maintenance and operation of electric, natural gas, sanitary sewer, sewage treatment and storm sewer systems by the Caretaker as well as for establishment of rates and collection of revenue to offset operating costs.

6.1.2. The Caretaker may use, through a (no-cost) license or lease to the Treasure Island Development Authority, with a subsequent exclusive sub-license or lease with SFPUC, Buildings 216, 264, 292 and the east lot of Building 69.

6.2 Concept of Operations

6.2.1. Lease of Utility Systems to the Treasure Island Development Authority: It is the intent of the Caretaker to enter into a lease for Navy owned utility systems serving Naval Station Treasure by 1 January 2001 or not later than signing of EDC/LIFOC for the property. Prior to execution of the planned lease, and within the term of this agreement, the Caretaker will operate utility systems in accordance with requirements of this Annex and of the Technical Execution Plan for Utilities Management which is attached to and made part of this agreement. After execution of the lease, provisions of this agreement pertaining to utilities operations will be extinguished and requirements of the lease will prevail.

6.2.2 Assumption of Environmental and Operating Permits by the Caretaker: It is the intent of the Navy to issue notices by 1 January, 2001 terminating permits listed below effective 1 April, 2001. The Caretaker agrees to work with the Navy and regulators to assume any permit required for the continuing operations of the Caretaker by this date.

- State of Calif. – Health and Welfare Agency, Water Supply Permit No. 02-04-96P-3810702
- BAAQMD Permit to Operate Air Emissions Sources for Plant # 479
- RWQCB NPDES General Storm Water Permit No. CAS000001 for Facility WDID No. 238S012140
- RWQCB NPDES Waste Water Treatment Plant Permit No. CA0110116 Operations Under This Agreement Prior to Leasing
- California Department of Public Works Permit S.F.O.B.B. #16 of 22 November 1944

6.2.3 Operations

6.2.3.1. The Caretaker will operate and maintain utility systems at Treasure Island and Yerba Buena Island, as described in the applicable Technical Execution Plan (see paragraph 6.2.3.3), including electric, natural gas, water, sanitary sewer, storm sewer and sewage treatment systems. The Caretaker will defray associated costs through revenue generated by charging Navy authorized rates to all users of utility services. Rates established by the Navy may be supplanted at any time by rates established and applied in accordance with applicable ordinances of the City and County of San Francisco.

6.2.3.2 All storage and handling of materials and equipment necessary for utility maintenance shall be done in accordance with the Treasure Island Storm Water Pollution Prevention Plan.

6.2.3.3 The Technical Execution Plan (TEP) for this annex is attached and made part of this agreement. The Caretaker agrees to conform to the requirements and guidelines of the TEP that defines the extent of Caretaker responsibility for utilities operations as well as specific operating procedures.

6.2.4 **Purchase of Utility Commodities:** The Caretaker will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base. The Caretaker remains responsible per modification P00009 of this agreement, and agrees to make payment for back-up electrical power delivered to Treasure Island under Navy contract during fiscal year 1999. Payment will be made by the Caretaker directly to the Pacific Gas and Electric Co. upon submission of invoices by that company to the Navy.

6.2.5 **Recovering Funds for Consumption by the Navy:** Consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker. Estimated Navy consumption is itemized in figure 6-1. Total annual charges will not exceed \$48,139.92 annually or \$4,011.66 per month.

6.2.5. System Extension and Provision of New Service

6.2.5.1. **New Services Requested by the Navy and other Federal Users:** Subject to the availability of funds for such purpose, the Caretaker will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other Federal users on the base. The Caretaker will recover costs for such work for other Federal users directly from the *benefiting* agency. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required.

6.2.5.2. **New Services Required by Lessees or Licensees:** The Caretaker may also provide system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease from the Navy during the term of this agreement. Costs for any such work will be recovered by the Caretaker directly from the benefiting Lessee or Licensee and will not be charged to the Navy.

Annex 6, Figure 6-1
Navy Liability for Utilities Consumption
September 01

notes	use	Consumption chargeable monthly	rate	monthly cost	annual cost
[1]	Electricity for CSO (B's 1 and 570)	24 MWH	\$121.34	\$ 2,912.16	\$ 34,945.92
[2]	Natural gas for CSO (B's 1 and 570)	197 MCF	\$ 5.10	\$ 1,004.70	\$ 12,056.40
[3]	Water for CSO	10 KGAL	\$ 4.59	\$ 45.90	\$ 550.80
[4]	Sewer for CSO	10 KGAL	\$ 4.89	\$ 4890	\$ 586.80
[5]	Environmental (Permit Fees)				\$15,000.00
	Totals			\$4,011.66	\$63,139.92

Notes:

- [1] B's 1 & 570 = 10w / sq ft x 9,000 sq ft, 12 hrs per day, 22 days per month = 24 MWH / month.
- [2] 30 btu's / sq ft / hr x 9,000 sq ft, 24 hrs per day 365 days per year
- [3] 30 GPD / person, 22 days per month assuming average staff including contractors of 15.
- [4] equal to domestic water consumption by CSO
- [5] utilities (permit fees)

TECHNICAL EXECUTION PLAN UTILITIES MANAGEMENT

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TECHNICAL EXECUTION PLAN UTILITIES MANAGEMENT

Ref : (a) Cooperative Agreement between the City and County of San Francisco and the U.S. Navy, N62474-97-2-0003, Mod P00011 (period of 1 January 2001 through 30 September 2001)

1.0 Purpose

This document provides general operational procedures for the management of the electric, water, natural gas, and sewer systems on Treasure Island (TI) and Yerba Buena Island (YBI).

2.0 Background (Not used)

3.0 Systems Definitions, Extent of Caretaker Responsibility for Utilities Distribution

The physical extent of each utility system that will be maintained by the Caretaker is as described below. These descriptions apply to all elements of systems on Treasure Island and Yerba Buena Island and water and electric systems deriving in Emeryville and Oakland respectively with the exception of elements of systems serving the U.S. Coast Guard on Yerba Buena island which are beyond designated service points and within the boundaries of Coast Guard owned property. The Caretaker will establish responsibilities within the Coast Guard boundaries through direct negotiations with the Coast Guard.

3.1 Water System: Facilities that are operated and maintained by the Caretaker under the Cooperative agreement consist of the existing water delivery facilities at NAVSTA TI/YBI including:

3.1.1 Supply and delivery pipelines, originating at the supply points for NAVSTA TI/YBI from San Francisco City Distribution System and from the East Bay Municipal Utility District (EBMUD). The Caretaker agrees to conform to all requirements of California Department of Transportation S.F.O.B.B. Permit No. 16 Dated 22 November 1944 as it pertains to operation of the pipeline originating at the East Bay Municipal Utility District service point in Emeryville to the last (upstream) point of attachment of the Bay Bridge on YBI.

3.1.2 Water storage facilities

3.1.3 Water pumping and chlorinating stations

3.1.4 The water pumping station located in pier E23 of the east span of the San Francisco Bay Bridge.

3.1.5 All supply lines that cross through or under any leased or non-leased building for facility that do not serve that building or facility.

3.1.6 For metered buildings and facilities, the Caretaker responsibility ends at the first valve or meter upstream of the building or facility.

3.1.5 For buildings and Facilities that are not metered, the Caretaker responsibility will include all supply lines and water system facilities up to five (5) feet from any building or facility.

3.2 Sanitary Sewer System: Facilities which are operated and maintained by the Caretaker consist of the existing sanitary sewer collection and pumping facilities at NAVSTA TI/YBI, including:

3.2.1 Waste water treatment plant including all facilities within the perimeter fence of the plant and including all piping and appurtenant facilities to the point of discharge to San Francisco Bay.

3.2.2 Waste water-pumping stations

3.2.3 Mainline sewers

3.2.4 Forced mains

3.2.5 Collection and service sewers to the limit of lease holding for leased facilities.

3.2.6 For buildings and facilities which are not leased or otherwise occupied, or which are in use by the Navy or Navy Customers; Collection and service sewers to either [a] the last cleanout upstream of the mainline sewer along the service to the building or facility, or [b] a point five (5) feet from the foundation of the building or facility.

3.3 Storm Water System: Facilities which are operated and maintained by the Caretaker consist of the existing storm water collection and discharge facilities at NAVSTA TI/YBI, including:

3.3.1 Storm water collections system from the transition structure of surface flow entering the below surface piping (including drop inlets and other collection structures). Surface and street flows are not included.

3.3.2 Storm water-pumping stations

3.3.3 Storm water outfalls

3.4 Natural Gas System: Natural gas is delivered to NAVSTA TI/YBI by a supply line owned by the Pacific Gas and Electric Co. (PG&E). PG&E also owns and operates the main meters and pressure reducing stations at the point of delivery. The responsibility of the Caretaker is for all facilities downstream of PG&E facilities including:

3.4.1 Supply and delivery pipeline downstream of the main meter and pressure reduction station located on NAVSTA TI/YBI.

3.4.2 Supply lines to and including that last valve or corporation stop leading to all leased, non-leased, occupied or non-occupied buildings and facilities.

3.5 Electrical Distribution System: Facilities that are operated and maintained by the Caretaker consist of the existing transformation and distribution facilities at NAVSTA TI/YBI, including:

3.5.1 The entire high voltage transmission line serving Treasure Island originating at the point of connection to the breakers at the Port of Oakland's Davis Substation at Point Arnold including overhead and underground elements of the line located on the Fleet and Industrial Supply Center and the Oakland Army Base, the underground element extending from the Oakland Army Base including the junction with

the submarine section of the line and the submarine section including the junction and the underground section of line at Treasure Island to the point of connection at the main Treasure Island substation.

3.5.2 Main substation at NAVSTA TI/YBI.

3.5.3 Distribution system and related equipment between the substations and the end-users.

3.5.4 For metered buildings and facilities, service up to and including the meter.

3.5.5 For buildings and facilities which are not metered or which have dedicated switch-gear or transformers at the building or facility, service to the low side of the dedicated switch-gear or transformer and shall include the dedicated switch gear or transformer.

3.5.6 For buildings and facilities which are not metered and which do not have dedicated switch-gear or transformers at buildings or facilities, service to the weatherhead, building perimeter, or equipment connection.

3.5.7 The Davis Substation at the Fleet and Industrial Supply Center, Oakland, CA.

4.0 Organization and Communication

4.1 Caretaker and Navy: Although there is no requirement for regular meetings between the Caretaker and the Navy, all essential communications (status of environmental clean-up projects, etc.) with the Navy shall be conducted with the appropriate Navy SWDIV ("Southwest Division," the Navy's Facilities Management Headquarters located in San Diego) representative. Notification of planned outages or any other pertinent utilities information shall be forwarded to the Navy Caretaker Site Office with the same consideration and priority as extended to any other utility customer served by the Caretaker.

4.1.1 The Caretaker's Utilities Manager is:

Charles (Chuck) Swanson
Office: TI Bldg 264
Phone: (415) 274-0333 (Home)
Pager: (415) 201-8452

4.1.2 The Navy Representative is: .

LCDR M. J. Gough
Office: TI Bldg 1
Phone: (415) 743-4720
Pager: (415) 313-8194

5.0 Preventative Maintenance & Repair Work: Regularly scheduled preventive maintenance and all non-emergency repair work will be executed as determined necessary by the Caretaker. Financial reporting to the appropriate Navy representative is required by provisions of the Cooperative Agreement.

6.0 Trouble Call Response and Reporting

6.1 Origin and Reception of Trouble Calls: Trouble calls may be initiated by any customer. The operator at the Caretaker reception desk will, in turn, direct calls requiring response that falls within the scope of the CA to the appropriate Caretaker department or subcontractor. Those requests that do not fall within the responsibility of the CA shall be returned to the initiator with appropriate reason.

6.2 Caretaker Points of Contact: In addition to the telephone number of the Caretaker trouble reception desk, the Caretaker shall provide to the Navy Caretaker Site Office an up to date list of telephone numbers for primary Caretaker managers responsible for utilities operations at NAVSTA TI/YBI. This list (see Caretaker Contacts, Table 6-1) includes persons at each level of Caretaker management and will be used by the Navy in the circumstances listed below. Individuals on the list will be called in the order listed until contact is made and the requisite responsibility accepted. The Caretaker Contact List will be used when:

- [1] Contact cannot be made with the Caretaker trouble reception desk
- [2] In cases of emergency
- [3] In cases in which responses to trouble calls do not occur within a reasonable time (see response targets of Table 6-2).

Note: Appendix "A" provides operational procedures for Trouble Calls and Emergency response in addition to key points of contact – both Caretaker and Navy.

Table 6-1
Caretaker CONTACTS
For
Trouble Call and Emergency Response

	Name	Title	Number
1	Charles Swanson	Utilities Manager	(W) 415-274-0333 (Pager) 415-201-8452
2	Bob Mahoney	Facilities Manager	(W) 415-274-0662 (H) 415-982-4520 Nextel: 850-9696
3	Renee Bura	Senior Stationary Engineer	(W) 415-274-0387 Pager 415-303-0183
AFTER HOURS			
GENERAL EMERGENCY NUMBER: (San Francisco City Distribution Division)			415-550-4956

6.3 Caretaker Trouble Call Reception, Response Targets and Reporting: Upon receiving a request from the CSO or other authorized party for trouble call, the Caretaker reception desk will issue a

Trouble Call (TC) number which will serve as a key identifier for the call and will be used to track and report on response. The Caretaker will maintain records of all TC#'s issued along with pertinent details on response and resolution and will provide summaries of this information to the Navy Utilities PM as requested.

TABLE 6-2
Labor Hour and Response Targets

Type of action	TEP paragraph	Urgency and response targets	
		Routine, note [1] RegHours / AfterHours	Emergency, note [2] RegHours / AfterHours
minor, unscheduled repairs	5.0	8hr / NA	4hr / 4hr
major repair work	5.0	8hr / NA	4hr / 4hr

NOTES: [1] Response required during normal working hours only
 [2] Response required 24 hrs / day, seven days / week
 [3] N/A - No After Hour

7.0 Emergency Response

7.1 Emergency Requirements

7.1.1 Definition: Trouble calls to the Caretaker will be designated as EMERGENCY requirements where it has been determined or is suspected that immediate action is required to eliminate a threat to human health, the environment, to protect property or to avoid disruption of essential operations. Situations satisfying these criteria may also be observed directly by Caretaker personnel or may be reported to the Caretaker by means other than the normal trouble reception protocol described here. Emergency calls shall be directed to the Caretaker trouble call reception desk at 415-274-0333 or after hours San Francisco City Distribution Division 415-550-4956.

7.1.2 Reporting: Direct reporting to the Navy is not required during an event, however, the Caretaker will provide the Navy with a written summary of any "significant event" (major personal injury or death, major property damage, "large" fires for example) that has occurred at TI/YBI.

8.0 System Extension, Provision of New Service

8.1 New Services Requested by the Navy and other Federal Users: Subject to the availability of funds for such purpose, the Caretaker will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other Federal users on the base. The Caretaker will recover costs for such work for other Federal users directly from the other Federal users. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required.

8.2 New Services Required by the Lessees or Licensees: The Caretaker may also provide system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease. Costs for any such work will be borne by the Lessee or Licensee. The Cooperative Agreement (paragraph 6.2.5) forbids delivery of any utility commodity to a premise under lease or license that is not fully and exclusively metered (exceptions may be granted if plans are in place for the installation of subject meter.)

9.0 Purchase of Utility Commodities: The Caretaker will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base

10.0 Billing and Payment for Utilities Consumption: The Caretaker will defray *costs of utility commodities purchased* and costs of the operation and maintenance of the utility systems through revenues generated by charging rates established by the Navy. Rates established by the Navy may be supplanted at any time by rates established and applied under applicable ordinances of the City and County of San Francisco. The Caretaker will enter into Utility Service Contracts (USC's) with all Federal users including the Navy or the Navy's contractors as required. The USC shall contain pertinent information regarding the utilities agreement between the Caretaker and the specific Federal user including rates. The Caretaker will purchase electricity, natural gas and water including electric power for the east water pump station serving TI and YBI.

10.1 Billing Non-Navy Tenants: The Caretaker will be responsible for billing and obtaining payment from all Lessees, Licensees and non-Navy Federal activities the Navy may permit to receive utilities services on the base. Charges to these tenants for use of electricity, natural gas, water and sewer service will be determined by the Caretaker by applying rates established by the Navy to consumption attributed to each tenant. In general, consumption will be read from meters which fully and exclusively measure permitted consumption. Where determined to be more economic, consumption may be determined through engineered estimates prepared by the Caretaker

10.2 Recovering Funds for Consumption by the Navy: Units of consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker. The Cooperative Agreement lists estimated uses and the annual/monthly charges to be billed by the Caretaker.

10.3 Charging for Sanitary Sewer Service: The Caretaker shall bill non-Navy users for sewer service based on established rates and on water consumption. The Caretaker may make adjustments for consumers that have large irrigation needs. In general, billing will be based on 100% domestic water consumption

11.0 Outage Management

11.1 Scheduled Outages: The following procedure will be used by the Caretaker for any utility outage not resulting from an emergency or unplanned failure:

11.1.1 Caretaker Action: The Caretaker shall coordinate all outages directly with the applicable parties including the Navy and its contractors. Prior to a scheduled outage, the Caretaker shall contact

all customers (including those who may be impacted) that will be impacted and provide the following information:

- Purpose of the outage
- Utilities commodities affected
- Buildings and facilities affected
- Proposed start and completion dates and times.

11.1.2 Coordination by Navy: Navy representative will coordinate the outage request for Navy managed facilities. The Caretaker will coordinate the outage all non-Navy and any affected utilities customers.

11.1.3 Planned Outages: The Caretaker will execute the outage at the agreed upon time. Authorization from the Navy is not required

11.1.4 Disapproved or Cancelled Outages: In cases in which the outage cannot be executed, the Caretaker will revisit all impacted customers and advise them of cancellation or revised outage schedule and why it was necessary.

11.2 Unscheduled Outages: The Caretaker will take immediate action to restore service. Authority from the Navy is not required. An "information-only" notice to the Navy representative is required after the event (verbal or written ok).

12.0 Excavation Management

12.1 Scheduled Excavations: The Caretaker will serve as the initial point of contact for all parties seeking to perform excavations at TI/YBI and will implement procedures to assure that no excavation is permitted without advance clearance with regard to underground utilities (see Annex 6, TEP paragraph 13.0) and from the designated Navy representative for environmental conditions. The following procedure will be used by the Caretaker to obtain Navy concurrence for any excavation not resulting from an emergency or unplanned system failure:

12.1.1 Excavation Process: The Caretaker shall retain established Underground Service Alert (USA) membership for the area encompassing TI/YBI and shall be the initial point of contact for all excavation activities within said region. The Caretaker will locate and, within 48 hours of notification, clearly mark all utilities in the vicinity of proposed excavation prior to start.

12.1.2 Excavation Coordination/Navy Concurrence: Where necessary, the Caretaker will refer excavation requests to the designated Navy representative to ensure environmental conditions of soil in and around the area of the planned excavation site can be conveyed to all parties so that they may plan accordingly.

12.1.3 "Approved" Excavation Requests: In cases in which the excavation plan is acceptable as proposed, the Navy will immediately inform the Caretaker of its concurrence and will provide the Caretaker with any special requirements which may be imposed by the Navy. The Caretaker will then perform the excavation or permit the excavation to be performed by the original requestor at the agreed upon time and in accordance with any special requirements which may be imposed by the Navy.

12.1.4 "Disapproved" Excavation Requests: In cases in which the excavation notification or request cannot be concurred to for environmentally related reason(s), the Navy will propose alternatives in writing to the Caretaker for coordination.

13.0 Marking Utilities Locations:

13.1. Electric, Gas, Water, and Sewer: The Caretaker Utilities Manager will locate and clearly mark all electric, natural gas, water, and sewer utilities. Requests for marking and response handled through the trouble call procedure described in paragraph 6.0, above will conform to the response targets of Table 6-2. In addition, the Caretaker will locate and clearly mark all electric, natural gas, water, and sewer utilities in any area in which the Caretaker proposes performing an excavation (see Excavation Management, paragraph 12.0). Marking shall be made based on the Navy provided base maps and the best available local knowledge. The Caretaker will take best efforts to mark abandoned lines to include steam distribution based on available drawings.

13.2 Telephone and abandoned lines: For telephone and other lines that are not Navy owned, the USA Dig will be notified. Caretaker Utilities Manager will provide San Francisco Telecommunications with copy of approved Dig Permit (primary 415-550-2725, sec 415-550-2747). The Utilities Manager will coordinate marking of these lines. Abandoned lines will be marked if known based on Navy maps.

14.0 Maintenance of Government Furnished Vehicles: The Caretaker has full responsibility for maintenance and repair of Navy-provided vehicles, tools and equipment. The Navy may provide additional equipment, as it becomes available, to support the operation and maintenance at TI and YBI.

15.0 Environmental and Operating Permit Management: The Navy will remain permit holder for environmental and operating permits associated with utility systems at TI/YBI including any necessary administrative action to amend or extend permits that may be required until 1 April 2001 at which time permits will be terminated. The Caretaker will take necessary action to assume any permits required for the Caretaker's continuing operations prior to that date. Prior to termination of Navy held permits, and within the term of this agreement, the Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by these permits.

15.1 Storm Water Permit: The Caretaker will completely oversee all monitoring and reporting requirements of the Storm Water General Discharge Permit (issued by RWQCB) and the TI Storm Water Pollution Prevention Plan (sampling, laboratory analysis, and annual report preparation). For the entire duration of the Cooperative Agreement, the Caretaker will support the Navy in the enforcement of permit requirements and the abatement of non-compliance violations noted during tenant/lessee inspections.

Table 15-1

ENVIRONMENTAL PERMITS FOR WHICH THE CARETAKER WILL PERFORM
MONITORING AND REPORTING

<u>Item</u>	<u>Permit Type</u>	<u>Issuing Agency</u>	<u>Permit Number</u>	<u>Monitoring Required</u>	<u>Reporting Required</u>
001	NPDES permit for waste water treatment plant	California Regional Water Quality Control Board	CA0110116	Yes	Yes
002	Domestic Water Supply Permit	California Health and Welfare Agency	System No. 3810702	Yes	Yes
003	Permit to Operate all Air Emissions Sources	Bay Area Air Quality Management District	Plant #479	Yes	Yes
004	NPDES permit for storm water discharge	California Regional Water Quality Control Board	CAS000001 Order No.97-03-DWQ Facility WDID No. 238S012140	Yes	Yes

16.0 Responding to Environmental Hazards

16.1 Definition: Environmental hazards, for the purpose of this discussion, are defined as spills or releases of hazardous substances to the soil which pose potential hazards to Caretaker personnel attempting to perform utility systems maintenance or repair or which may pose a threat to human health in general or to the environment. This definition does not include hazardous materials that may be part of utility system equipment or facilities near utility system equipment such as lead or asbestos insulation or lead based paint.

16.2 Awareness: The Navy has undertaken an extensive program under its Installation Restoration Program (IRP) to document and remedy environmental hazards as defined above. Environmental conditions on the base are documented by the *BASEWIDE ENVIRONMENTAL BASE LINE SURVEY (1995)*, *SITE SPECIFIC ENVIRONMENTAL BASE LINE SURVEYS (SSEBS)*, and by the *BRAC CLEAN-UP PLAN (BCP)*. Caretaker personnel engaged in utilities operations should be aware of these sources which show locations and types of contamination at NAVSTA TI/YBI in order to avoid unnecessary contact with contaminated soil. The Caretaker will coordinate with the Navy to obtain the most current maps and characterization of the hazards.

16.3 Procedures: Safety procedures normally observed by the Caretaker should be observed at all times in order to minimize contact with contaminated soil. The following procedures should be followed by Caretaker personnel in the event work is required in an area documented to contain contamination or if undocumented contamination is encountered or suspected.

16.3.1 Planned Excavations

16.3.1.1 In conformance with excavation permit request procedures provided under paragraph 12.0, 12.1.1. above, the Caretaker will inform the Navy of the location and planned schedule for any excavation (see

16.3.1.2 The Navy will provide disclosure of environmental conditions in or adjacent to the excavation area. Disclosure will be communicated to the Caretaker in writing in accordance with excavation request/permit procedures (see 12.1.3).

16.3.1.3 The Caretaker will perform the excavation in accordance with Caretaker health and safety practices, and any applicable Federal, State, or local regulations. The Caretaker will perform the excavation using any required protective equipment.

16.3.2 Unplanned Excavations

16.3.2.1 When soil contamination is encountered or suspected in the course of unplanned excavations, the Caretaker will cease work and immediately contact its Environmental oversight office. The Caretaker and the Navy may then evaluate conditions and determine a course of action.

16.3.3 Disposal

16.3.3.1 In any case in which contaminated excavation spoils are produced (either through an approved planned excavation or through an unplanned excavation) determination of proper management and disposition of the spoils will be the responsibility of the Caretaker.

16.3.3.2 The Caretaker shall be responsible for disposal of soil, water, and other contaminated materials generated as a result of Caretakers excavations.

Appendix A

UTILITIES TROUBLE/EMERGENCY CALL REPORTING PROCEDURES AND IMPORTANT CARETAKER/NAVY CALL LIST

GENERAL EMERGENCY NUMBER: (415)-550-4956, San Francisco City Distribution Division (CDD).

Normal Work Day: Routine service calls will be directed to the Caretakers Service Desk for Utility Services @ (415)-274-0333, or page at (415)-201-8452.

1. CDD will receive call, assign a Trouble Call Number (TC#) and record information in TI book.
2. CDD will dispatch trouble call to appropriate unit:
 - a. Water Problems – to on call team
 - b. Sewer Problems – (415)-648-6882
 - c. Electrical Problems – (209)-989-2099
 - d. Natural Gas Problems – call PUC “natural gas” plumbers, NOT PG&E
3. CDD will notify, in the order below, the following individuals for emergencies involving environmental issues, broken water mains, downed electric lines, loss of electric power to an area, any sewer overflow/spill, fire, or other emergency involving personal injury or significant property damage:
 - a. Charles Swanson (SF TI Utilities Manager) pager (415)-201-8452
 - b. Robert Mahoney (SF Facilities Manager) office: (415)-274-0662; Nextel: (415)-850-9696
 - c. LCDR Mike Gough (US Navy) pager: (415)-313-8194; Nextel: (415)-559-9939
 - d. If directed, or unable to contact those above, additional notifications for specific problems are (contact one of the following):
 - (1) Environmental Issues – LCDR Gough
 - (2) Civil Disturbance, Traffic or Fire – SF Police @ 911
 - (3) Facilities: LCDR Gough

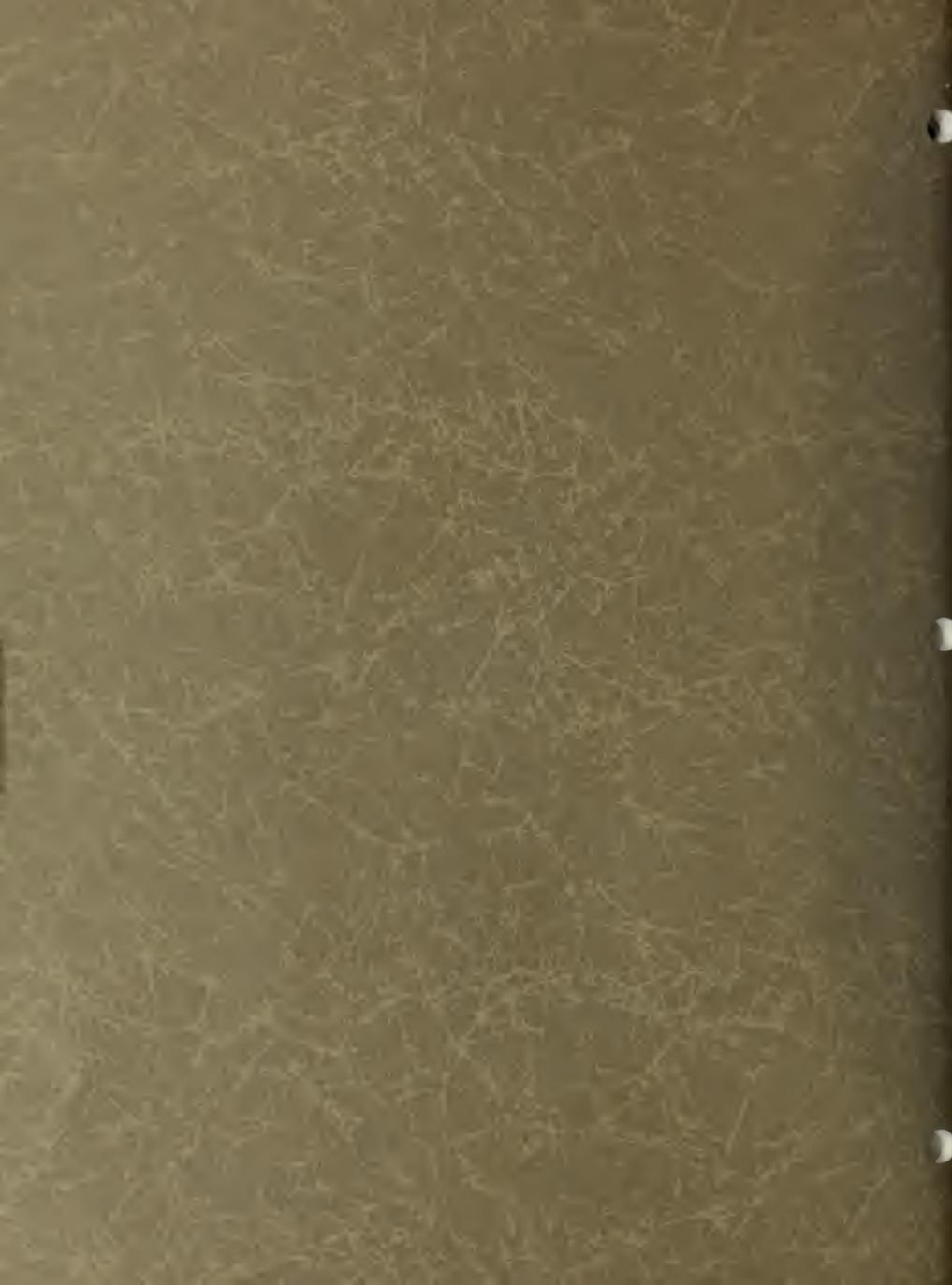
APPENDIX B
Glossary of Terms and Abbreviations

Term/abbreviation	Full term	Definition
BRAC	Base Realignment and Closure	Department of Defense initiative to "right size" the inventory of U.S. military installations. BRAC also refers to a set of laws passed with the FY93 and 94 defense appropriations acts which establish processes for promoting interim reuse of closed bases and for accelerating transfer of base property to the affected communities.
CA	Cooperative Agreement	A quasi-contractual instrument under which DOD components, such as the U.S. Navy can financially reimburse reuse authorities or affected communities for performing caretaking functions on closed bases.
Caretaker		The term used to refer to the reuse authority or community agency that takes over base caretaker functions under a cooperative agreement. In the case of NAVSTA TI/YBI, the Caretaker is the City and County of San Francisco.
EBMUD	East Bay Municipal Utility District	Local not-for-profit water company providing water to the east end of the Bay Bridge.
EFA West	Engineering Field Activity West	Field activity of the Naval Facilities Engineering Command which has responsibility for closure and disposal of Navy bases in the San Francisco Bay Area. All CSO's are organizational components of EFA West Code 60.
lessee / licensee		Holder of a lease or license issued by EFA West for use of facilities aboard a closed or closing BRAC installation. In general the lessee is the local reuse authority such as ARRA in the case of NAVSTA TI/YBI, Alameda.
NAVSTA TI/YBI	Naval Station Treasure Island	For the purposes of this SOP, NAVSTA TI/YBI is defined as Treasure Island and Yerba Buena Island.
CSO	Caretaker Site Office (Navy)	The Navy office established at a closed base to oversee the caretaker mission. This duty includes coordination of any Cooperative Agreement which may be established.
Navy Public Works	Navy, Public Works Center, San	The Navy's public works organization in the San Francisco Bay Area. PWCSFB has been the owner

Glossary of Terms and Abbreviations		
Term/abbreviation	Full term	Definition
	Francisco Bay	and operator of utility systems on BRAC bases. The command was disestablished under the BRAC initiative on 26 Sept 1997.
PG&E	Pacific Gas and Electric Company	Local for-profit gas and electric utility provider.
Utilities PM	Utilities Project Manager	Individual assigned to utilities project management.
sublessee, sublicensee		Holder of a sublease or sublicense for use of facilities at NAVSTA TI/YBI.

SECTION III

CONSOLIDATED COST ESTIMATE AND DETAILED BUDGET SUMMARIES



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Approving the First Amendment to
The Exclusive Negotiating Agreement with
Treasure Island Enterprises to Give the
Executive Director the Authority to
Extend the Term of the Agreement

Agenda Item No. 9
Meeting of December 13, 2000

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Director of Development
274-0660

BACKGROUND

On January 21, 1998, the Authority issued a Request for Proposals ("RFP") related to the development and expansion of the Treasure Island Marina. Based on that RFP process, on February 17, 1999, the Authority authorized staff to prepare an exclusive negotiating agreement (ENA) with Treasure Island Enterprises (TIE), which was executed on June 9, 1999. Pursuant to the terms of the ENA, TIE and Authority staff were directed to negotiate and create long-term agreements for the development and expansion of the Marina as contemplated by the RFP (the "Project"). To reach that goal, the ENA set forth a number of milestones related to the negotiations, with specific target dates.

To date the Authority and TIE have completed several milestones including an agreement with TIE for the interim operation of the existing marina, and the preparation of a preliminary development concept (PDC) for the marina expansion. However, the ENA contemplated that the parties would complete a term sheet and transaction documents before the expiration of the ENA. While TIE and Authority staff have been working to complete these documents, the work underway will not be completed within the original time set forth in the ENA.

It is important to note that TIE requested the ENA extension in a timely manner and that they are not in default under the terms of the ENA or the interim operating agreement with TIDA. The need for the extension is due to various factors that remain beyond the control of TIE. They include:

- *Environmental Review Process.* As has been reported to the Authority Board in the past, the environmental review process (NEPA/CEQA) that would allow for the conveyance of property to the Authority, and subsequently to TIE for the marina expansion, has not been completed. Based on recent meetings with the Navy, the environmental review process is expected to be complete in August 2001. Thus, the



Authority could not consider transaction documents for approval until the Fall of 2001.

- *Environmental Remediation.* The proposed boundaries for the marina contain several installation restoration (IR) sites that require investigation to determine the level of possible environmental contamination and the activities required to remediate those sites. This work is ongoing and the Authority has held several discussions with the Navy to establish a standard and schedule that allows for the expansion of the marina and resolution of these issues has a direct impact on the Term Sheet negotiations. Moreover, until the sites receive regulatory clearance (or the Authority elects to take these parcels via an "early transfer"), they cannot be conveyed to the Authority or TIE.
- *Staff Resources.* Because of delays in the environmental review and remediation processes, staff has approached the Marina negotiations with urgency than certain other, more time-sensitive tasks. Staff has, and will continue to work with TIE on the preparation of a term sheet. However, staff has also been working to move other aspects of the redevelopment effort, such as the EDC application and Primary Developer RFQ, forward at the same time. Thus, the delays in the Schedule of Performance should not be attributed to TIE.

Recommendation:

Based on the factors outlined above, staff is recommending Authority approval for an amendment to the ENA that allows the Executive Director to extend the term for an additional 12 months.

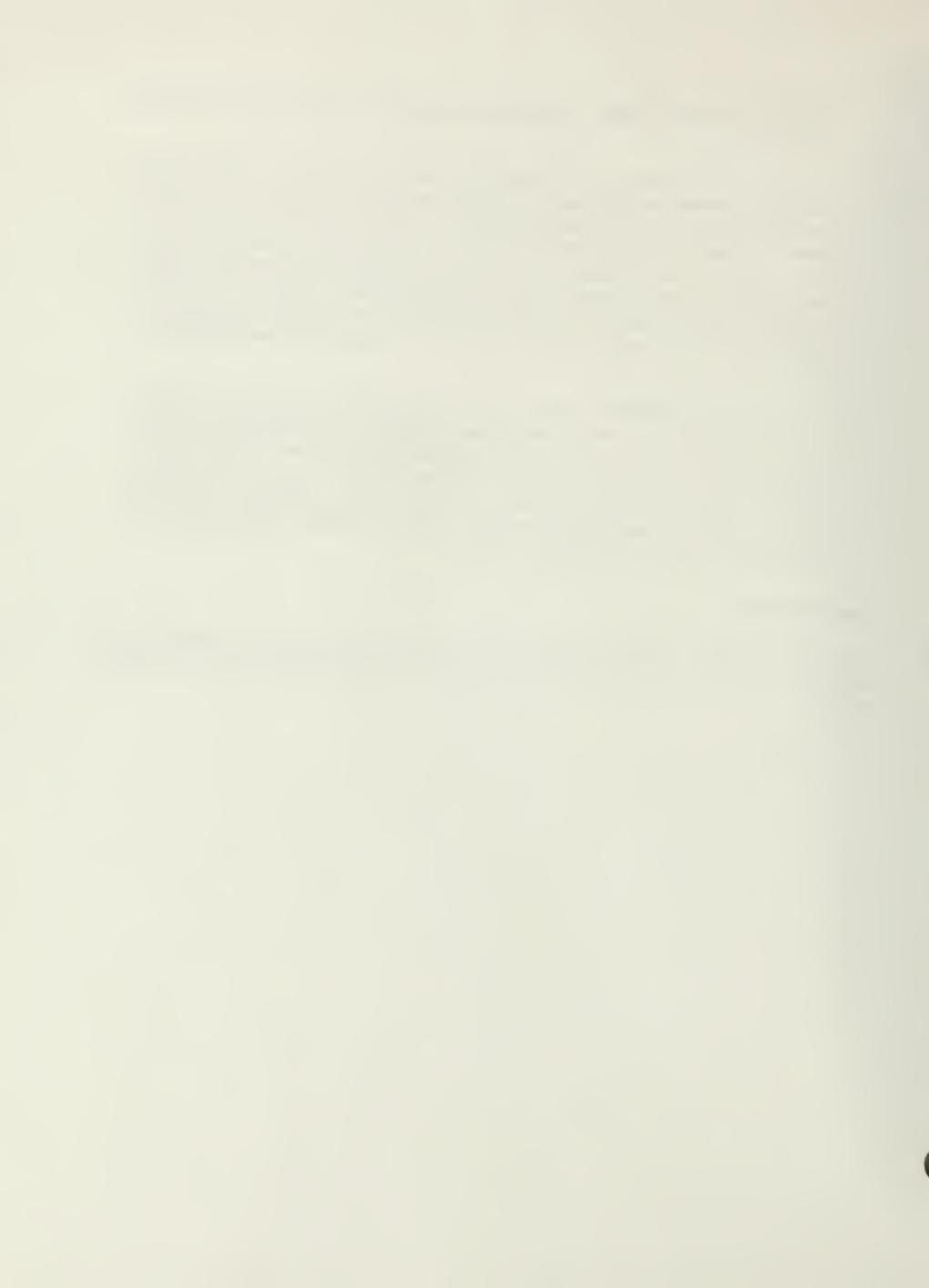


EXHIBIT A



EXHIBITS A - ENA AMENDMENT

FIRST AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT

THIS FIRST AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT (the "First Amendment") is made and entered into this _____ day of _____, 2000, by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Authority"), a public body, corporate and politic created pursuant to the laws of the State of California, and TREASURE ISLAND ENTERPRISES, a California limited liability corporation ("Developer"). (Collectively, the Authority and the Developer shall be referred to as the "Parties").

RECITALS

WHEREAS, the Authority and the Developer are parties to that certain Exclusive Negotiating Agreement dated June 22, 1999 (the "Agreement") pursuant to which the Parties agreed, among other things, to negotiate in good faith with each other to enter into (i) a Disposition and Development Agreement ("DDA") and any related Ground Leases related to the development and expansion of the Treasure Island Marina ("Marina"), (ii) a Sublease for the interim operation of the Marina, and (iii) any other necessary transaction documents (collectively, the "Transaction Documents"); and,

WHEREAS, the initial term of the Agreement was for one year with one six-month extension option (the "Extension Option"), and the Developer duly exercised its Extension Option in accordance with the Agreement to extend the term for an additional six (6) months; and,

WHEREAS, the Parties wish to further extend the term of the Agreement for another twelve (12) months and to modify the Developer's Schedule of Performance, attached to the Agreement as Exhibit B thereto, to extend the performance deadlines for certain activities thereunder.

NOW THEREFORE, the Authority and the Developer agree as follows:

1. Subsection 4(a) of the Agreement is hereby amended to read as follows:

"(a) The Developer shall have one six (6) month option to extend the Exclusive Negotiation Period (the "Extension Option"), subject to the consent thereto by the Executive Director of the Authority as further provided below. The Developer shall exercise the Extension Option by written notice to the Authority on or before thirty days prior to the termination date of this Agreement, together with cash or a cashier's check in the amount of Ten Thousand Dollars (\$10,000.00) (the "Extension Option Deposit"). The Extension Option Deposit shall be held by the Authority and added to the RFP Deposit if the Executive Director consents to the extension; provided, however, the Authority shall credit the Extension Option Deposit (without interest) towards the first of any lease payments required of the Developer under the Ground Lease if the parties successfully enter into the Transaction Documents. The Executive Director of the Authority shall consent to the Developer's exercise of the Extension Option if (i) the Developer has paid the Extension Option Deposit in the manner specified above and deposited the additional \$25,000.00 as required under Section 3.2(b)(1)

above, (ii) the Developer is not in default under this Agreement and no event shall have occurred which, with the giving of notice or the passage of time, or both, would constitute such a default, and (iii) the Developer and the Executive Director have reached substantial agreement on the material terms and conditions of the Transaction Documents, which the Executive Director is prepared to recommend to the Authority's Board of Directors for approval. If the Developer has duly exercised the Developer's Extension Option pursuant to this subsection 4(a), the Executive Director may, in her sole and absolute discretion, extend the period of such Extension Option for up to an additional twelve (12) months by written notice to the Developer, provided that (x) the Developer is not in default under this Agreement and no event shall have occurred which, with the giving of notice or the passage of time, or both, would constitute such a default, and (y) the Executive Director determines that the inability to complete the Transaction Documents within the initial term as extended by the Extension Option was beyond the Developer's control. Except as otherwise provided in Section 4(b) below, no further extensions beyond the Extension Option described in this Section are permitted under this Agreement."

2. The last paragraph in subsection 4(b) of the Agreement is hereby amended to read as follow:

"The foregoing notwithstanding, nothing in this subsection 4(b) shall require the Authority to extend the term of the Exclusive Rights by more than six (6) months, beyond any date of termination arising without regard to this subsection 4(b), and, thus, in no event shall the term of the Exclusive Negotiation continue for more than two-(2) three (3) years from the date of this Agreement (the "Upset Date")."

3. Exhibit B to the Agreement is hereby replaced in its entirety with the Exhibit B attached to this First Amendment.
4. Except as otherwise expressly amended by this First Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Authority and the Developer have duly executed and delivered this Agreement as of the date first written above.

AUTHORITY:
TREASURE ISLAND DEVELOPMENT
AUTHORITY, a non-profit, public benefit
corporation

By: _____
Its: _____

DEVELOPER:
TREASURE ISLAND ENTERPRISES,
a California limited liability company

By OA3, LLC,
a California limited liability corporation,
Its Managing Member

By _____
Ronald W. Burkle
Its: Managing Member

APPROVED AS TO FORM:

Louise H. Renne,
City Attorney

By _____
Michael S. Cohen
Deputy City Attorney

EXHIBIT "B"
Exclusive Negotiating Agreement
Treasure Island Marina

Schedule of Performance

<u>Activity to be Performed</u>	<u>Deadline</u>
1. Developer's Submittal to Authority Staff of Refined Development Concept for Long Term Development of the Marina, which concept shall include but not be limited to Proposed Project Boundaries, Phasing Plan, Proposed Uses and Tenants, and General Facility Design Including Without Limitation the Design of a Breakwater	August 2
2. Authority Approval of Agreement between Developer and Authority Staff for interim operations of existing Marina facilities	August 11
3. Authority Approval of Proposed Marina Development, Which Shall Include but not be Limited to, the Project Boundaries, the Scope of Proposed Uses, a List of Proposed Types of Tenants, Phasing Plan, and General Facility Design, including without limitation, the Design of a Breakwater	September 8
4. Authority Approval of Proposed Term Sheet for Disposition and Development Agreement ("DDA"). Term Sheet to address, at least and without limitation, the following: •Material business terms of DDA, including without limitation, base rent and percentage rent to be paid to Authority for the groundlease of the Marina premises and the manner and timing of such payments •Phasing Plan for Development and Redevelopment of Marina •Infrastructure Rehabilitation/Replacement/Construction Plan for Marina and Marina's share of Island-wide capital improvements •Financing Plan for each phase of development •Community Programs, including hiring program consistent with provisions of agreement between Authority and Treasure Island Housing Development Initiative •Environmental Remediation and Mitigation Program	December 8 <u>April, 2001</u>
5. Completion of final draft of Transaction Documents any DDAs and a form of any related Leases containing the substantial terms and conditions of such Leases	100 days after approval of term sheet by Authority Board <u>November 30, 2001</u>
6. Publication of Notice as required by Health and Safety Code Section 33431	10 days after final draft of Transaction Documents Completed Contingent upon completion of CEQA, NEPA,,

	and Redevelopment Plan adoption
7. Authority Approval of Transaction Documents after Public Hearing	At least <u>No less than 2 weeks after publication of Notice</u>
8. Board of Supervisors Approval of Transaction Documents	30 days after Authority Approval
9. Execution of Transaction Documents	



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Approving the Issuance of
A Request for Qualifications/Proposals
For Consultant Services to Assist in
The Evaluation of the Responses to the
Primary Developer RFQ

Agenda Item No. 10
Meeting of December 13, 2000

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Director of Development
274-0660

BACKGROUND

On June 14, 2000, the Authority authorized the issuance of a Request for Qualifications for a Primary Developer ("Primary Developer RFQ") for former Naval Station Treasure Island and on October 27, 2000, the Primary Developer RFQ was issued to interested parties. The Primary Developer (or Master Developer) model for major development programs on public lands has been used by a number of public agencies, especially on complex projects like Base closures.

Selection of a Primary Developer is expected to be a two-stage process. First, the Authority will identify a "short-list" of qualified developers or development teams from the responses to the Primary Developer RFQ. The short-list of respondents will be invited to submit a more detailed proposal, including business terms, in response to an Request for Proposals issued by the Authority. Based on an evaluation of those proposals, the Authority will select a Primary Developer for the Island and begin negotiating final transaction documents.

In previous discussions with the Authority Board, the Board has expressed a desire to establish a review committee to evaluate the responses to the Primary Developer RFQ and make recommendations to the Authority Board. In addition, the Board has indicated a desire to retain the services of a qualified consultant to assist the review committee. The consultant will assist in evaluating the Primary Developer RFQ respondent's project experience and financial and organizational capacity to serve as the Primary Developer for Treasure Island and to evaluate the submittals against the criteria set forth in the Primary Developer RFQ. To provide continuity throughout the selection process, the Authority expects to retain the services of a consultant to evaluate the responses to the subsequent RFP, leading to the ultimate recommendation and selection of a preferred Primary Developer for Treasure Island.

The evaluation of the Primary Developer RFQ submittals by the consultant is expected to be completed within four to six weeks of receiving its notice to proceed from the Authority. The proposed scope of work is outlined in the "Evaluation RFQ/P" (a copy is attached to the



resolution as Exhibit A), however, staff will negotiate the specific tasks, deliverables, timing and fees of this assignment with the selected Consultant.

Since responses to the Primary Developer RFQ are due on February 1, 2001, at this time we are unable to determine the number of responses the selected consultant will be required to evaluate. Thus, we are asking consultants responding to the Evaluation RFQ/P to provide only their qualifications to perform the scope of work by January 26, 2001. Upon receipt of the Primary Developer RFQ responses, we will contact those consultants deemed qualified to perform the scope of work to: (i) solicit specific cost proposals to evaluate all responses received by the Authority; and (ii) to request disclosure of all previous or existing business relationships with the developer candidates that may affect your firms ability to fairly evaluate the developers.

A final contract for consultant services is subject to the approval of the Authority Board.

Recommendation:

Staff is recommending the approval to issue a RFQ/P for consultant services to assist in the evaluation of the responses to the Primary Developer RFQ.

EXHIBIT A

EXHIBITS A - COPY OF RFQ/P FOR CONSULTANT SERVICES

CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY

Request For Qualifications and Proposals for
Consultant Services to Assist In Evaluation of
Developer Submittals for Former Naval Station Treasure Island

December 2000

Deadline For Submission: January 26, 2001, 5:00 p.m. PST

Treasure Island Development Authority

Request for Qualifications and Proposals

Table of Contents:

I.	Introduction.....	1
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V.	Schedule	6
VI.	Terms and Conditions for Receipt of Proposals	7
J.	Public Access to Meetings and Records	9
VII.	Contract Requirements	11

Appendices:

- A. Human Rights Commission Forms 3 and 4
- B. Chapters 12B, 12C and 12D of the San Francisco Administrative Code, and related forms:
 - Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits (form HRC-12B-101)
 - Reasonable Measures Affidavit (form HRC-12B-102)
 - Substantial Compliance Authorization Form (form HRC-12B-103)
- C. IRS form W-9, Request for Taxpayer Identification Number and Certification. If you have not informed the Authority of your Federal Employer Identification Number (if you are a company) or your Social Security Number (if you are an individual or sole proprietor), you must submit this form with your proposal.
- D. Agreement for Professional Services (form P-500)
- E. Business Tax Registration Declaration (form P-25)

I. INTRODUCTION

The Treasure Island Development Authority (the "Authority") is seeking a qualified consultant or consultant team to assist the Authority in evaluating responses to a Request for Qualifications for a Primary Developer ("Primary Developer RFQ") for the former Naval Station Treasure Island ("Treasure Island"). Redeveloping Treasure Island is a priority for the City and County of San Francisco as well as an extremely complex project of national prominence that will require significant private sector investment of time, effort and financial resources. Therefore, it is critical that the Authority only considers absolutely qualified candidates for possible selection as the Primary Developer.

The Authority will select a Consultant to evaluate the Primary Developer RFQ respondent's related project experience and financial and organizational capacity to serve as the Primary Developer for Treasure Island. Submittals will be evaluated against the criteria set forth in the Primary Developer RFQ (Attachment A). The goal is to identify and recommend a "short-list" of qualified developers or development teams for approval by the Authority Board to participate in more detailed, subsequent RFP process. The Authority expects to retain the services of a consultant to evaluate the responses to both the Primary Developer RFQ and the subsequent RFP, leading to the ultimate recommendation and selection of a preferred Primary Developer for Treasure Island.

The selected Consultant should be prepared to complete the evaluation of the Primary Developer RFQ submittals within four to six weeks of receiving its notice to proceed from the Authority. The proposed scope of work for this assignment is outlined in this RFQ/P (the "Evaluation RFQ/P"). However, the Authority will negotiate the specific tasks, deliverables, timing and fees of this assignment with the selected Consultant.

The Authority expects to receive responses to the Primary Developer RFQ on February 1, 2001. Therefore, at this time we are unable to determine the number of responses the selected consultant will be required to evaluate. However, we are requesting respondents to this Evaluation RFQ/P to provide qualifications to perform the scope of work outlined in this document to our office no later than 5:00 p.m., January 26, 2001. Upon receipt of the Primary Developer RFQ responses, we will contact those consultants deemed qualified to perform the scope of work to: (i) solicit specific cost proposals to evaluate all responses received by the Authority; and (ii) to request disclosure of all previous or existing business relationships with the developer candidates that may affect your firms ability to fairly evaluate the developers.

If you wish to be considered for this assignment, please submit your qualifications to Stephen Proud, Director of Development for Treasure Island. Mr. Proud can be reached by telephone at (415) 274-0342 and by fax at (415) 274-0299. Your initial response should contain:

- A brief, narrative description of your proposed approach to completing this assignment.
- Related experience and background of key staff for this assignment.

Due to the nature of this Project, time is of the essence in completing this assignment. If selected, your firm should be prepared to comply with the City and County of San Francisco's contracting policies, including nondiscrimination in employee benefits and hiring.

II. SCOPE OF WORK

The following Scope of Work is to be used as a general guide and is not intended to be a complete list of all activities and operations that may be required by the Authority.

- Read and understand the Primary Developer RFQ;
- Work with Agency and Authority staff to obtain relevant technical information about the project;
- Review each Primary Developer candidate's response;
- Employ appropriate due diligence techniques to thoroughly evaluate the developer candidates according to the criteria set forth in the Primary Developer RFQ;
- Summarize key elements of each response to the Primary Developer RFQ and any clarifying information provided by the developer candidates, in a manner that permits a "side-by- side" comparison of their financial, organizational and project experience qualifications to be the Primary Developer Treasure Island;
- Present its findings orally and in writing to the Treasure Island Development Authority and work with Authority Staff to identify and recommend a "short list" of qualified developers or development teams to respond to amore detailed RFP.

III. SUBMISSION REQUIREMENTS

A. Time and Place for Submission of Proposals

Proposals must be received by 5:00 p.m. PST, on January 26, 2001. Proposals may be delivered in person and left with:

Stephen Proud, Director of Development
Treasure Island Development Authority
410 Avenue of Palms, Building 1, Second Floor
Treasure Island
San Francisco, CA 94130

Proposers shall submit five copies in a sealed envelope clearly marked Treasure Island Evaluation RFQ/P. Proposals submitted by fax will not be accepted.

B. Format and Content of Proposals

Firms interested in responding to the Evaluation RFQ/P must submit the following information, in the order specified below:

1. Introduction and Executive Summary (up to 2 pages)

Submit a letter of introduction and executive summary of the proposal. A person authorized by your firm to obligate your firm to perform the commitments contained in the proposal must sign the letter. Submission of the letter will constitute a representation by your firm that your firm is willing and able to perform the commitments contained in the proposal.

2. Project Approach (up to 3 pages)

Describe the services and activities that your firm proposes to provide to the Authority. Include the tasks necessary to achieve the Authority's objectives and satisfy the scope of activity articulated herein, as well as a schedule for completion of these tasks.

3. Qualifications (up to 5 pages)

Provide information on respondent's background and qualifications which addresses the following:

- a. Name, address, and telephone number of a contact person;
- b. A brief description of your firm, as well as how any joint venture or association would be structured;

- c. Provide a list identifying: (i) each key person on the project team, (ii) the project manager, (iii) the role each will play in the project, and (iv) a written assurance that the key individuals listed and identified will be performing the work and will not be substituted with other personnel or reassigned to another project without the Authority's prior approval; and
- d. A description of not more than three comparable evaluations prepared by your firm including the name of the client, staff members who worked on each project, and a project summary. Descriptions should be limited to one page for each project. If joint consultants or subconsultants are proposed provide the above information for each.

5. References (up to 2 pages)

Provide references for the lead consulting firm, lead project manager, and all subconsultants, including the name, address and telephone number of three or more recent clients (preferably other public agencies).

Step 2

Upon receipt of the submittals for the Primary Developer RFQ (after February 1, 2001), the Authority will contact those firms deemed qualified to assist in the evaluation process to provide the following information:

Fee Proposal

A fee proposal that includes the following:

- a. Total fee to evaluate each of the Primary Developer responses with a not to exceed figure; and
- b. Hourly rates for all team members. Hourly rates and itemized costs may be used to negotiate changes in the Scope of Work if necessary.

The Authority intends to award this contract to the firm that provides the best overall program of services. The Authority reserves the right to accept other than the lowest priced offer and to reject any proposals that are not responsive to this request.

Conflict of Interest Statement

A disclosure of all previous or existing business relationships with the developer candidates that may affect your firm's ability to fairly evaluate the developers.

IV. EVALUATION AND SELECTION CRITERIA

A. Selection Criteria

The Authority intends to evaluate the responses to this Evaluation RFQ/P generally in accordance with the criteria itemized below. Two or more firms with the highest scoring proposals may be interviewed, if necessary, to make the final selection.

1. Project Approach (30 points)

- a. Demonstrated understanding of stated objectives and tasks;
- b. Demonstrated ability to perform an analysis comparing the qualifications and financial capacity of Primary Developers for large-scale, complex, mixed use developments;
- c. Suggested strategy and schedule that will allow the Authority to meet its objectives as efficiently as possible;
- d. Fee proposal to conduct the scope of work.

2. Assigned Project Staff (30 points)

- a. Recent experience of staff assigned to the project and a description of the tasks to be performed by each staff person;
- b. Professional qualifications and education;
- c. Workload, staff availability and accessibility;
- d. Potential conflicts of interest and methods of addressing any such conflicts.

3. Experience of Firm and Subconsultants (40 points)

- a. Expertise of the firm and subconsultants in the fields necessary to complete the tasks, including experience with similar projects; and
- b. Quality of recently completed projects, including adherence to schedules, deadlines and budgets; and

Following the evaluation of the written proposals, two or more of the proposers may be invited to an oral interview. If conducted, the interview will consist of standard questions asked of each of the proposers, and specific questions regarding each individual proposal. The written proposals may then be re-scored based on information presented at the interview and the criteria articulated above.

V. SCHEDULE

A. Pre-Proposal Conference

Proposers are encouraged to attend a pre-proposal conference on Monday, January 8, 2001, at 10 a.m. to be held at City Hall, Room 201. All questions will be addressed at this conference and any available new information will be provided at that time. If you have further questions regarding the Evaluation RFQ/P, please contact Stephen Proud at 415.274.0342.

The Authority will keep a record of all parties who request and receive copies of the Evaluation RFQ/P. Any requests for information concerning the Evaluation RFQ/P whether submitted before or after the pre-proposal conference, must be in writing, and any substantive replies will be issued as written addenda to all parties who have requested and received a copy of the Evaluation RFQ/P from the Treasure Island Development Authority. Questions raised at the pre-proposal conference may be answered orally. If any substantive new information is provided in response to questions raised at the pre-proposal conference, it will also be memorialized in a written addendum and will be distributed to all parties that received a copy of the Evaluation RFQ/P. No questions or requests for interpretation will be accepted after Friday, January 12, 2001.

B. Schedule

The anticipated schedule for selecting a consultant is shown below:

<u>Proposal Phase</u>	<u>Date</u>
Pre-proposal conference	January 8, 2001
Deadline for submission of written questions or requests for clarification	January 12, 2001
Proposals due	January 26, 2001

C. Contract Award

The Treasure Island Development Authority will select a consultant with which Authority staff shall commence contract negotiations. The selection of any proposal shall not imply acceptance by the Authority of all terms of the proposal, which may be subject to further negotiation and approvals before the Authority may be legally bound thereby. If a satisfactory contract cannot be negotiated in a reasonable time the Authority, in its sole discretion, may terminate negotiations with the highest ranked proposer and begin contract negotiations with the next highest ranked proposer.

VI. TERMS AND CONDITIONS FOR RECEIPT OF PROPOSALS

A. Errors and Omissions in RFQ/P

Proposers are responsible for reviewing all portions of the Evaluation RFQ/P. Proposers are to promptly notify the Authority, in writing, if the proposer discovers any ambiguity, discrepancy, omission, or other error. Any such notification should be directed to the Authority promptly after discovery, but in no event later than five (5) working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

B. Inquiries Regarding RFQ/P

Inquiries regarding the Evaluation RFQ/P other than inquiries at the pre-proposal conference, and all oral notifications of an intent to request written modification or clarification of the Evaluation RFQ/P, must be directed to:

Stephen Proud, Director of Development
Treasure Island Development Authority
410 Avenue of Palms, Building 1, Second Floor
Treasure Island
San Francisco, CA 94130
415.274.0342

C. Addenda to Evaluation RFQ/P

The Authority may modify the Evaluation RFQ/P, prior to the proposal due date, by issuing written addenda. Addenda will be sent via regular, first class U.S. mail to the last known business address of each firm listed with the Authority as having received a copy for proposal purposes. The Authority will make reasonable efforts to notify proposers in a timely manner of modifications to the Evaluation RFQ/P. Notwithstanding this provision, the proposer shall be responsible for ensuring that its proposal reflects any and all addenda issued by the Authority prior to the proposal due date regardless of when the proposal is submitted. Therefore, the Authority recommends that the proposer call before submitting its proposal to determine if the proposer has received all addenda.

D. Term of Proposal

Submission of a proposal signifies that the proposed services and prices are valid for 120 calendar days from the proposal due date and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity.

E. Revision of Proposal

A proposer may revise a proposal on the proposer's own initiative at any time before the deadline for submission of proposals. The proposer must submit the revised proposal in the same manner as the original. A revised proposal must be received on or before the proposal due date.

In no case will a statement of intent to submit a revised proposal, or commencement of a revision process, extend the proposal due date for any proposer.

At any time during the proposal evaluation process, the Authority may require a proposer to provide oral or written clarification of its proposal. The Authority reserves the right to make an award without further clarifications of proposals received.

F. Errors and Omissions in Proposal

Failure by the Authority to object to an error, omission, or deviation in the proposal will in no way modify the Evaluation RFQ/P or excuse the vendor from full compliance with the specifications of the Evaluation RFQ/P or any contract awarded.

G. Financial Responsibility

The Authority accepts no financial responsibility for any costs incurred by a firm in responding to this Evaluation RFQ/P. Submissions will become the property of the Authority and may be used by the Authority in any way deemed appropriate.

H. Proposer's Obligations Under the Campaign Reform Ordinance

Proposers must comply with Section 16.510-2 of the S.F. Administrative Code, which states:

No person who contracts with the City and County of San Francisco, for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and either the completion of, or the termination of, negotiations for such contract.

If a Proposer is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the Proposer is prohibited from making contributions to:

- The officer's re-election campaign
- A candidate for that officer's office
- A committee controlled by the officer or candidate

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a contractor approaches any Authority officer or employee about a particular contract, or a Authority officer or employee initiates communication with a potential contractor about a contract. The negotiation period ends when a contract is awarded or not awarded to the contractor. Examples of initial contacts include: (i) a vendor contacts an Authority officer or employee to promote himself or herself as a candidate for a contract; and (ii) an Authority officer or employee contacts a contractor to propose that the contractor apply for a contract. Inquiries for information

about a particular contract, requests for documents relating to a Request for Proposal, and requests to be placed on a mailing list do not constitute negotiations.

Persons who knowingly or willfully violate section 16.510-2 are subject to a fine of up to \$500 and a jail term of six months, or both. (S.F. Administrative Code Section 16.515(a)). Persons who negligently violate section 16.510-2 are subject to a civil penalty of up to \$500. (S.F. Administrative Code Section 16.515(b)).

For further information, proposers should contact the San Francisco Ethics Commission at (415) 554-9510.

I. Sunshine Ordinance

In accordance with S.F. Administrative Code Section 67.24(e), contractors' bids, responses to the Evaluation RFQ/P and all other records of communications between the Authority and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

J. PUBLIC ACCESS TO MEETINGS AND RECORDS

If a Proposer is a non-profit entity that receives a cumulative total per year of at least \$250,000 in Authority-funds or Authority-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Proposer must comply with the reporting requirements of that Chapter. The Proposer must include in its Proposal (1) a statement describing its efforts to comply with the Chapter 12L provisions regarding public access to Proposer's meetings and records, and (2) a summary of all complaints concerning the Proposer's compliance with Chapter 12L that were filed with the City in the last two years and deemed by the City to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the Proposer shall include a statement to that effect. Failure to comply with the reporting requirements of Chapter 12L or material misrepresentation in Proposer's Chapter 12L submissions shall be grounds for rejection of the Proposal and/or termination of any subsequent Agreement reached on the basis of the Proposal.

K. Reservations of Rights by the Authority

The issuance of this Evaluation RFQ/P does not constitute an agreement by the Authority that any contract will actually be entered into by the Authority. The Authority expressly reserves the right at any time to:

1. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
2. Reject any or all proposals;
3. Reissue a Request for Proposals;
4. Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements

for any materials, equipment or services to be provided under this RFQ/P, or the requirements for contents or format of the proposals;

5. Procure any materials, equipment or services specified in this RFQ/P by any other means; or
6. Determine that no project will be pursued.

L. No Waiver

No waiver by the Authority of any provision of this Evaluation RFQ/P shall be implied from any failure by the Authority to recognize or take action on account of any failure by a Proposer to observe any provision of this RFQ/P.

VII. CONTRACT REQUIREMENTS

A. Chapter 12B and 12C: Nondiscrimination in Employment and Benefits

Chapter 12B and 12C of the S.F. Administrative Code are incorporated by reference as though fully set forth herein. Chapters 12B and 12C prohibit discrimination by City contractors in employment, the use of property, the provision of public accommodations and in the provision of benefits to employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees.

Please refer to Appendix B regarding the Affirmative Action Program mandated by Chapter 12B of the S.F. Administrative Code.

The successful Proposer must agree to abide by the following standard contract provisions regarding Chapters 12B and 12C:

Nondiscrimination; Penalties

(a) Contractor Shall Not Discriminate. In the performance of this contract, Contractor agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any Authority employee working with, or applicant for employment with Contractor, in any of Contractor's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Contractor.

(b) Subcontracts. Contractor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-12B.2(k) and 12C.3 of the San Francisco Administrative Code, and shall require all subcontractors to comply such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) Nondiscrimination in Benefits. Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Contract. As a condition to this Agreement, Contractor shall execute the "Nondiscrimination in Contracts and Benefits" form and secure the approval of the form by the San Francisco Human Rights Commission.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under Chapters 12B and 12C of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

B. MBE, WBE and LBE Participation

The Authority strongly encourages proposals from qualified MBEs, WBEs and LBEs. The following rating bonus will be in effect for the award of this project for any proposers who are certified by HRC as an MBE, WBE or LBE, or joint venture partners who are certified as an MBE or WBE at the time that the proposal is submitted. Certification applications may be obtained by calling HRC at 415-252-2500. The rating bonus applies at each phase of the selection process. The application of the rating bonus is as follows:

- a. A five percent (5%) bonus to:
 - A local business (LBE); or
 - A joint venture with a local MBE or local WBE participation that equals or exceeds 35 percent, but is under 40 percent; or
 - Where a joint venture is composed of only local businesses with no local MBE or WBE participation or where the local MBE or local WBE participation is less than 35 percent.
- b. A seven and one-half percent (7.5%) bonus to a joint venture with local MBE and WBE participation that equals or exceeds 40 percent.
- c. A ten percent (10%) bonus to:
 - A local MBE or local WBE; or
 - A joint venture between or among local MBEs or local WBEs.

C. HRC Forms to be Submitted with Proposal

- a. All proposals submitted must include Human Rights Commission (HRC) Form 1 (included in Appendix A) whether or not a rating bonus is applied for.
- b. HRC Forms 3 and 4 (also included in Appendix A) are to be submitted with the proposal. If these forms are not returned with the proposal, the proposal may be determined to be non-responsive and rejected. HRC Schedule A must be submitted if applicable. [Obtain Schedule A from HRC.]

c. Please submit only one copy of the above forms with your proposal. The forms should be submitted in a separate, sealed envelope addressed to:

Tina Pasco-Sanchez
410 Avenue of Palms, Building 1, Treasure Island
San Francisco, CA 94130

d. If applying for a rating bonus as a joint venture: The MBE or WBE must be an active partner in the joint venture and perform work, manage the job and take financial risks in proportion to the required level of participation stated in the proposal, and must be responsible for a clearly defined portion of the work to be performed and share in the ownership, control, management responsibilities, risks, and profits of the joint venture. The portion of the MBE or WBE joint venture's work shall be set forth in detail separately from the work to be performed by the non-MBE or non-WBE joint venture partner. The MBE or WBE joint venture's portion of the contract must be assigned a commercially reasonable dollar value.

If you have any questions concerning the HRC Forms, you may call Tina Pasco-Sanchez at (415) 274-0342. The forms will be reviewed and approved by HRC prior to the interviews.

D. Standard Contract Provisions

The successful Proposer will be required to enter into a contract substantially in the form of the Agreement for Professional Services, attached hereto as Appendix D. Failure to timely execute the contract, or to furnish any and all certificates, bonds or other materials required in the contract, shall be deemed an abandonment of a contract offer. The Authority, in its sole discretion, may select another firm and may proceed against the original selectee for damages.

In addition, the successful Proposer will be required to execute the following City forms:

1. San Francisco Business Tax Requirements. The successful Proposer must have a San Francisco Businesses Tax Certificate. Businesses not already having this certificate must apply for a certificate and pay the \$200 registration fee in order to be awarded this contract. (See Appendix E).
2. Chapter 12B Declaration. The successful Proposer must submit the "Chapter 12B: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) contained in Appendix B and have the form approved by HRC prior to being awarded the contract. Two other forms are included in Appendix B: "Reasonable Measures Affidavit" (form HRC-12B-102); and "Substantial Compliance Authorization Form" (form HRC-12B-103). Proposers should execute and submit these forms if, in accordance with the forms' instructions, it is appropriate to do so.
3. Tropical Hardwoods/Virgin Redwood Ban. Any proposal submitted in response to this Request for Proposals which calls for the use of any tropical hardwood or tropical hardwood product, virgin redwood or virgin redwood product, as defined in San Francisco Administrative Code Chapter 12I, shall be deemed non-responsive.

1 [Authorization of RFQ/P for Consultant Services]

2 AUTHORIZING THE ISSUANCE OF AN RFQ/P FOR CONSULTANT SERVICES TO
3 EVALUATE RESPONSES TO THE PRIMARY DEVELOPER REQUEST FOR
4 QUALIFICATIONS.

5 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
6 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
7 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority
8 as a redevelopment agency under California redevelopment law with authority over former
9 Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base
10 which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands
11 Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such
12 property; and,

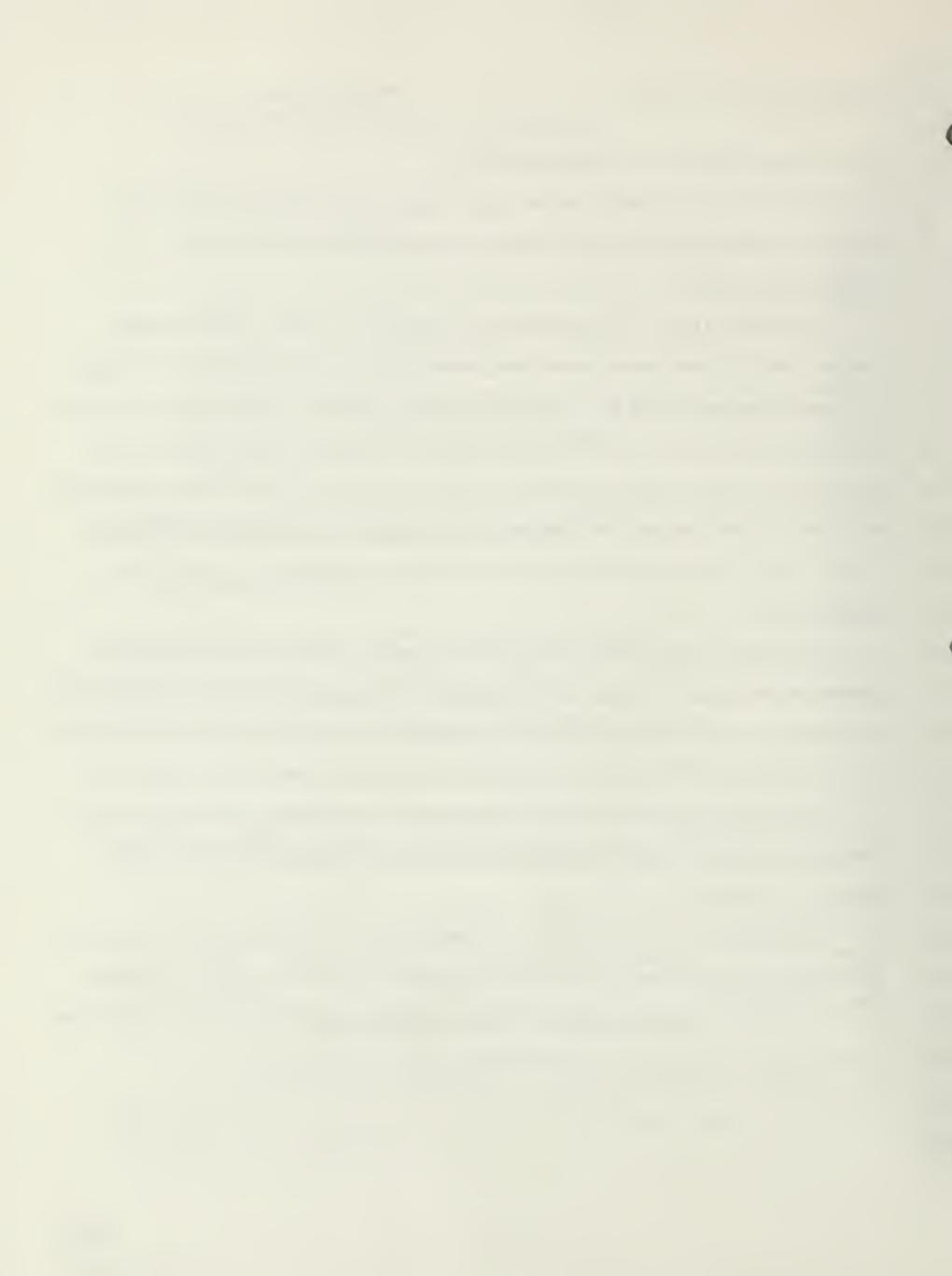
13 WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into
14 private ownership, generally requires that Tidelands Trust property be accessible to the public
15 and encourages public oriented uses of trust property that, among other things, attract people
16 to the waterfront, promote public recreation, protect habitat and preserve open space; and,

17 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
18 redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated
19 February 6, 1998; and

20 WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the
21 Authority, acting by and through its Board of Directors has the power, subject to applicable
22 laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use
23 or occupy all or any portion of the real property located on the Base; and,

24

25



1 WHEREAS, At its regular meeting on June 14, 2000, the Board of Directors of the
2 Authority adopted Resolution No. _____ authorizing the Executive Director of the Authority
3 to issue a Request for Qualifications for a Primary Developer ("Primary Developer RFQ"); and

4 WHEREAS, On October 27, 2000 the Primary Developer RFQ was issued to all
5 interested parties; and,

6 WHEREAS, Responses to the Primary Developer RFQ are due on February 1, 2001
7 and the Authority expects to identify a short-list of developers from the responses who will be
8 invited to respond to a subsequent Request for Proposals ("Primary Developer RFP"); and

9 WHEREAS, Establishing a short-list requires expertise in evaluating relevant project
10 experience and financial capacity and other factors necessary to undertake a complex
11 redevelopment effort such as Treasure Island; and

12 WHEREAS, The Authority wishes to establish a review committee which is supported
13 by the services of a consultant with previous experience in evaluating responses to Primary
14 Developer RFQ's: now therefore, be it

15 RESOLVED, That the Board of Directors hereby authorizes the Executive Director to
16 issue a Request for Qualifications/Proposals for consultant services, in substantially the form
17 attached hereto as Exhibit A, to assist the Executive Director and Authority staff in the
18 evaluation of responses to the Primary Developer RFQ.

19 ///

20 ///

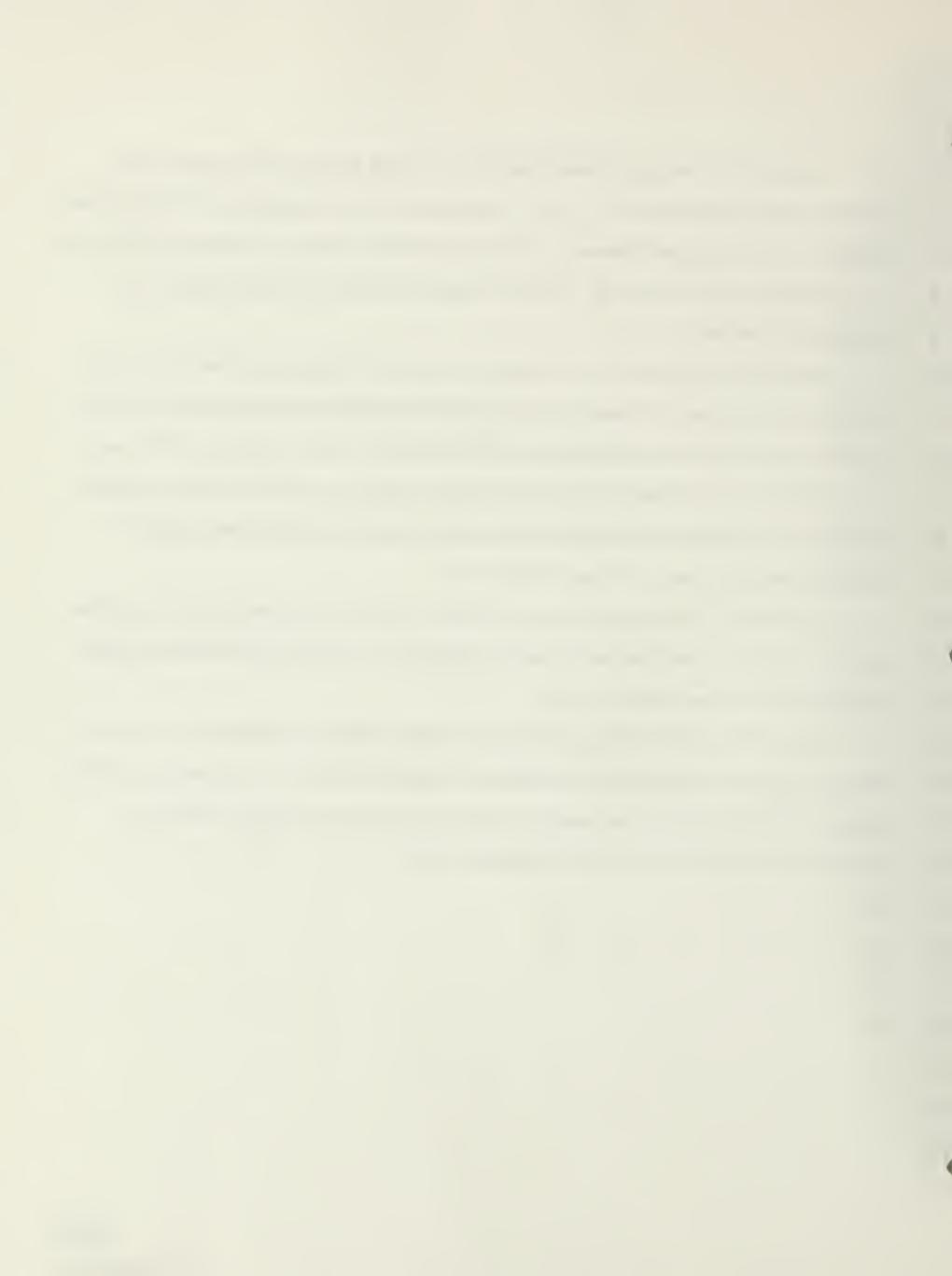
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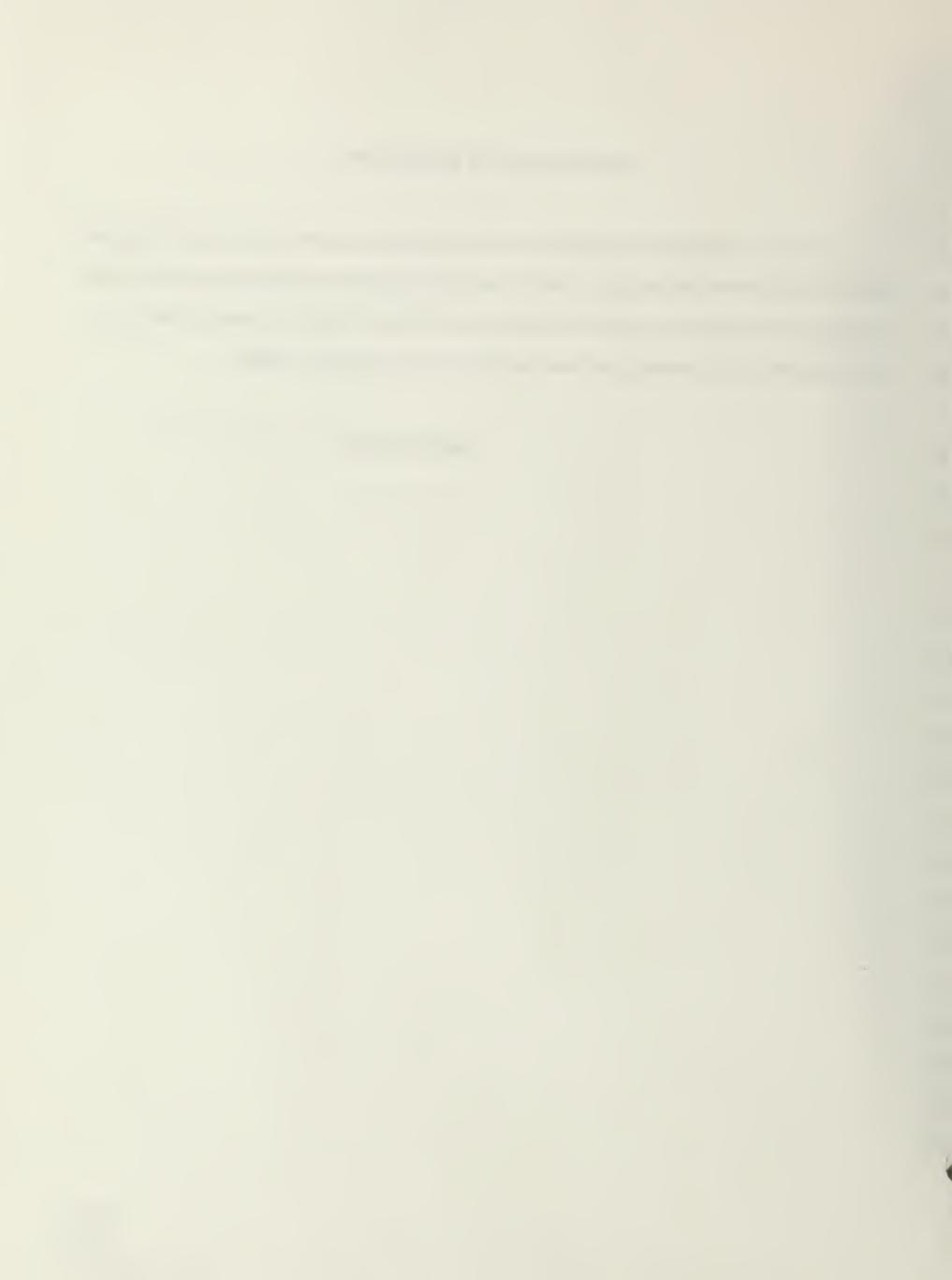
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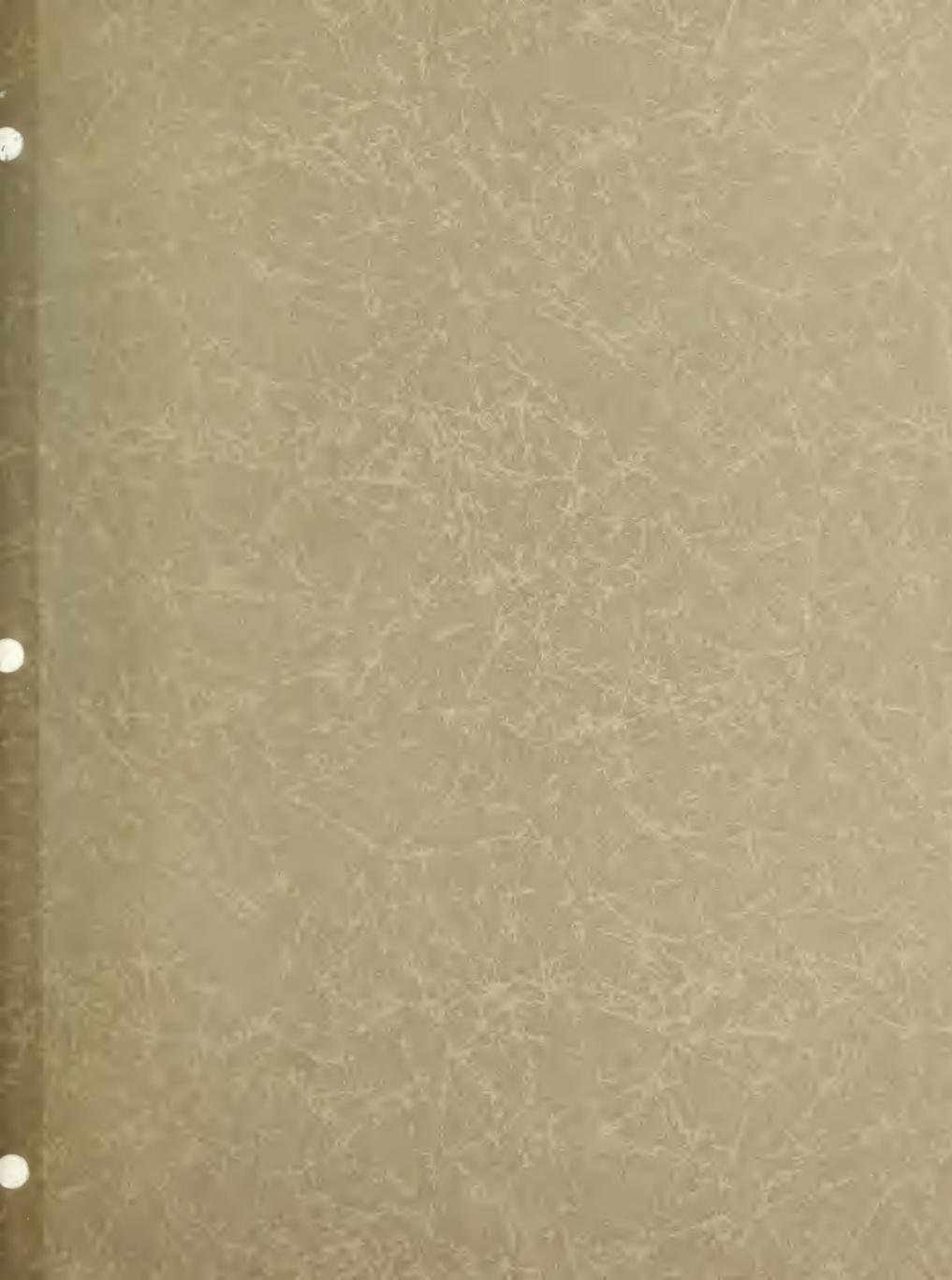


CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 13, 2000.

John Elberling







OFFICE OF THE MAYOR
SAN FRANCISCO



WILLIE LEWIS BROWN, JR.

TREASURE ISLAND PROJECT
0 AVENUE OF THE PALMS
BUILDING 1, 2ND FLOOR
TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660
FAX (415) 274-0299

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2/21/00

TREASURE ISLAND DEVELOPMENT AUTHORITY SPECIAL MEETING AGENDA Thursday, December 21, 2000 2 P.M.

DOCUMENTS DEPT.

DEC 19 2000

Room 400, City Hall
1 Dr. Carlton Goodlett Place

Willie L. Brown, Jr., Mayor

SAN FRANCISCO
PUBLIC LIBRARY

DIRECTORS

John Elberling, Vice-Chairman
William Fazande
Susan Po-Rufino
Doug Wong

Gerald Green
Anne Halsted
James Morales

Annemarie Conroy
Executive Director

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Approval of Minutes (*Action item*)
3. Communications (*Discussion item*)
4. Report of the Treasure Island Project Director Annemarie Conroy (*Discussion item*)
 - Report on access to Treasure Island including public use last month
 - Status of environmental clean up
 - Report on short-term leases
 - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
 - Report on Treasure Island community issues
 - Report on Citizens Advisory Committee
 - Report on TIHDI
 - Financial Report
 - Legislation/hearings affecting Treasure Island
5. General Public Comment (*Discussion Item*)
6. Ongoing Business by Directors and Introduction of New Business by members (*Discussion Item*)
7. Resolution approving by-laws for the Treasure Island/Yerba Buena Island Citizens Advisory Board (*Action Item*)
8. Resolution approving the Cooperative Agreement with the U.S. Navy for the period October 1, 2000 through September 30, 2001 for \$145,000. (*Action Item*)

9. Resolution approving the first amendment to the exclusive negotiating agreement with Treasure Island Enterprises to give the Executive Director the authority to extend the term of the agreement (*Action Item*)
10. Resolution approving the issuance of a request for qualifications/proposals for consultant services to assist in the evaluation of the responses to the primary developer RFQ (*Action Item*)
11. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Project Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

If you would like to receive TIDA meeting agendas by e-mail, rather than through U.S Postal Service mail, please send your name and e-mail address to TIDA@ci.sf.ca.us.

Disability Access

The Treasure Island Development Authority will meet at City Hall, 1 Dr. Carlton Goodlett Place. City Hall is accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 at least 72 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.ci.sf.ca.us/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Administrative Code 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

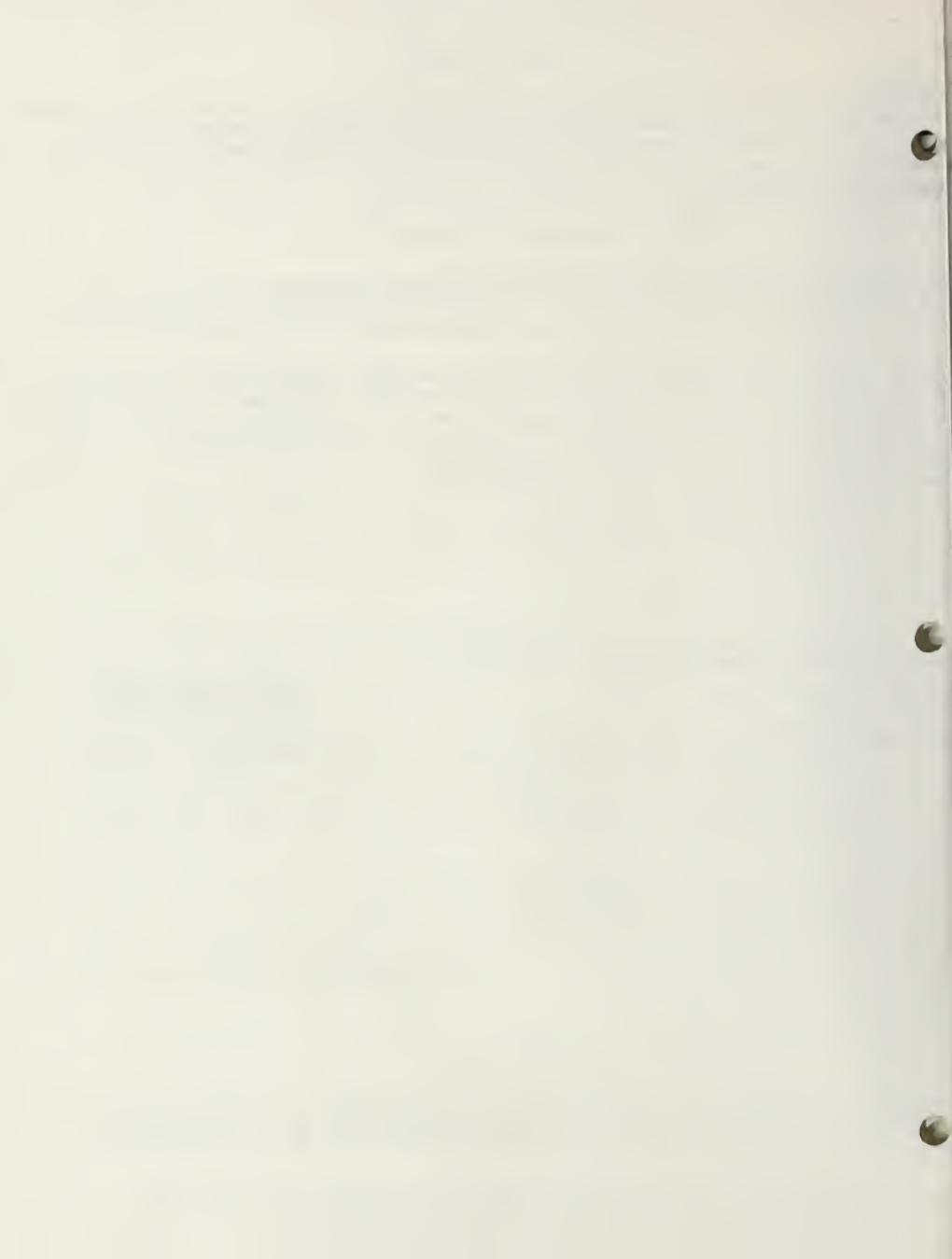
For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Rachel Arnstine O'Hara, Clerk, Sunshine Ordinance Task Force at City Hall, Room 362, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-6171 and (415) 554-6177 (fax). Ms. Arnstine O'Hara's e-mail address is Rachel_ArnstineOhara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

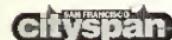
Treasure Island Development Authority
410 Palm Avenue, Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130



The regular meetings of the Treasure Island Development Authority are held the 2nd Wednesday of each month at m. in Hearing Room 400 in City Hall, 1 Dr. Carlton B. Goodlett Place. The next regular meeting is Wednesday, January 10, 2000

A binder of supporting material is available for public viewing at the Mayor's Treasure Island Project office, 410 Palm Avenue, on Treasure Island and at the Government Information Center reference desk, Main Library, City Hall Center.





The Treasure Island Project

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DOCUMENTS DEPT.**MINUTES FOR SPECIAL MEETING
DECEMBER 21, 2000**

SEP 18 2001

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Call to Order: 2:10 p.m. Room 400, City Hall.

1. Roll Call: Present: Doug Wong (2:15pm), James Morales, William Fazande, Anne Halsted, Gerald Green (1:10pm), Susan Po-Rufino.

Excused: John Elberling, Vice Chair.

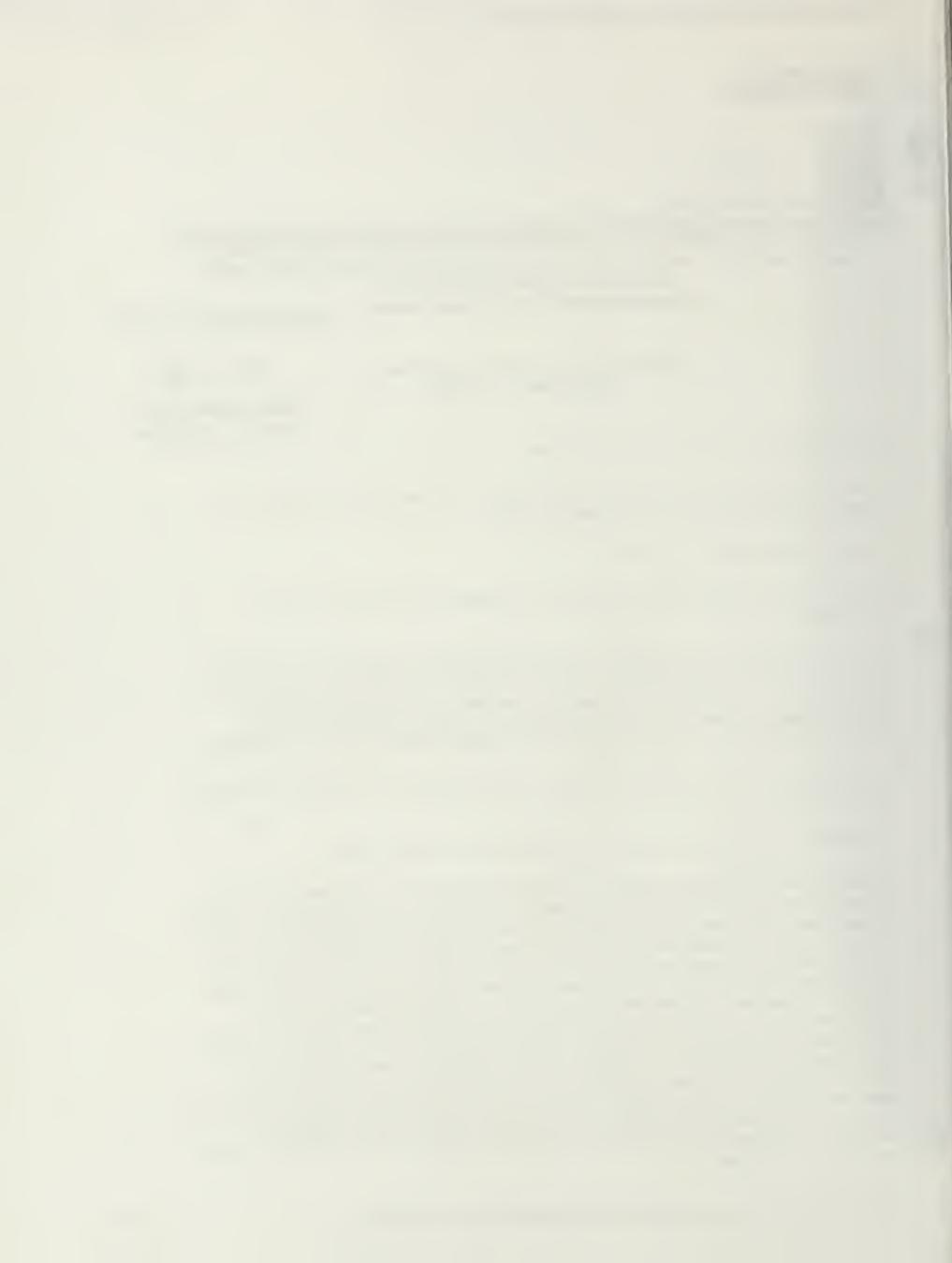
2. Approval of Minutes: Both the minutes of November 8, 2000 were approved unanimously.

3. Communications: London Breed, Commission Secretary reported that a letter was received (section 3 of binder) from Clarissa Harris Adamson, board member of the TI Sailing Center Foundation, which thanks the members of TIDA and discusses the sailing program. It goes on to say that the sailing program has assisted several programs specifically focused on youth on TI including TIHD and Boys and Girls Club.

*** Annemarie Conroy, Executive Director asks the Authority to call items 7, 9 and 10 out of order.

4. Resolution approving bylaws for the TI/YBI citizen's advisory board.

Stephen Proud, Development Director, replied that Item 7 is a consideration of the bylaws for the Citizen's Advisory Board that was appointed by the Mayor and the Board of Supervisors. Staff put together a proposed set of bylaws that was distributed to the Advisory Board. The initial meeting of the Advisory Board was on Nov 13, and at that meeting the by-laws were reviewed by the members of the CAB. The bylaws outline the guidelines under which the CAB would operate. There is a purpose section, which outlines the purpose of the Board. It provides them with the authority to make recommendations to the Authority concerning the review and implementation of the draft reuse plan, policies and objectives related to interim reuses on the base and any other matters of importance. It outlines duties of the officers, who they will be, election/removal procedures, dates and times of the meetings. The CAB decided to meet on the third Thursday of every month at 6 PM at the Job Corps Center on TI. The CAB started out with 25 members, now down to 23; a quorum is 12 of the 23 members. If anyone misses 4 meetings out of the 12 they will be removed, whether or not absence is excused.



Mr. Green asked who initiates the removal. Mr. Proud replied that it would be the chairperson of the CAB. Mr. Proud added that the Sunshine Ordinance, the Brown Act and any other applicable laws that apply to any other body that meets in the city & county of SF applies to the CAB. Mr. Proud informed the Authority that the CAB members made two changes to the bylaws. One change in Article 3, under officers, in section 2 instead of saying the officers would be elected at the January meeting it now says they will be elected on or before the February meeting unless extended by a two-thirds majority. The other change is under article 4, under meetings, there is a whole new section called section 6 which allows items to be added to the agenda with the approval of two-thirds majority of the CAC.

Donnell Choy, Deputy City Attorney, replied that the bylaws are written to be automatically self-enforced. Any member absent 4 times in the course of the year is automatically terminated. It is the responsibility of the secretary to maintain records and minutes of each meeting.

Mr. Green asked are any members of the CAB wishing to comment. Carrie Tipman and Nathan Brennan both members of the CAB replied that they were in support of the bylaws.

Mr. Fazande moved. Ms. Halsted seconded. Approved 6-0.

5. Resolution approving the first amendment to the Exclusive Negotiating Agreement (ENA) with Treasure Island Enterprises (TIE) to give the executive director authority to extend the term of the agreement.

Mr. Proud replied that the Authority approved a RFP for development of the Marina in Jan 1998. In Feb 1999 staff was authorized to prepare an ENA with TIE executed in June 1999. Several milestones were set in motion including the formation of long-term agreements relating to development of the Marina. The term sheets and transaction documents will not be finished before the expiration of the ENA. TIE requested an extension to the ENA. Staff suggests the Authority honor the extension, as they are not in default. Environmental cleanup review has taken longer than expected; we can not execute the transaction documents until this has been received. TIE has been willing to take on some of the testing themselves. It is our recommendation you should extend the ENA for an additional twelve months.

Ms. Halsted moved. Mr. Fazande seconded. Approved 6-0.

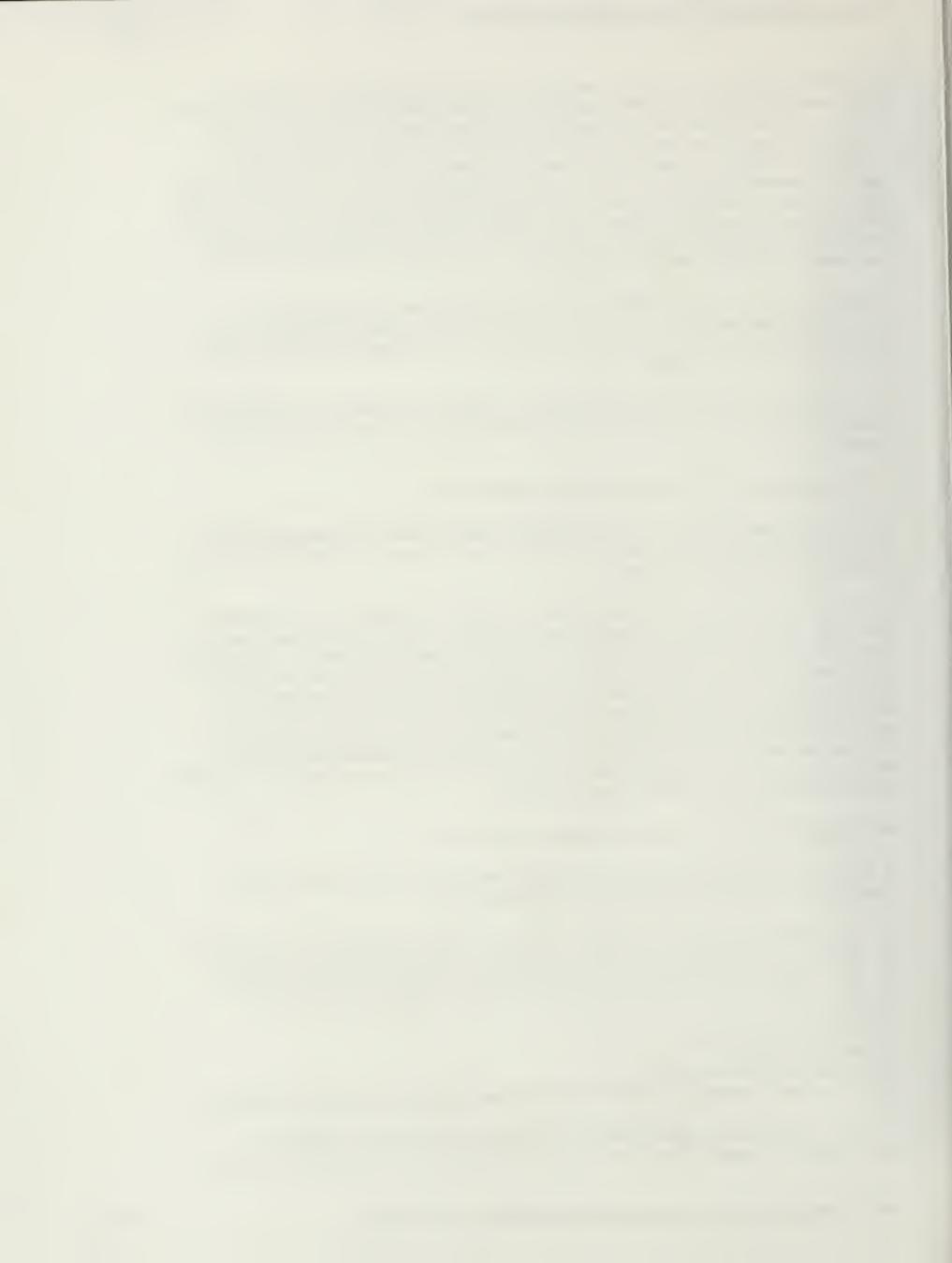
6. Resolution approving an issuance of a RFQ/consultant services to assist in the evaluations of the Preliminary developer RFQ responses.

Mr. Proud replied on February 1, 2001, when staff receives responses for the RFQ, the consultants will be asked to submit their budgets to evaluate the responses received. Mr. Green asked if the consultant will assist staff and staff will advise the Authority. Mr. Proud replied yes. Mr. Proud added that the RFQ for a developer has three components:

- 1) development experience
- 2) financial capacity
- 3) primary development concept.

Staff is primarily seeking assistance in development experience and financial capacity.

Mr. Green asked before staff chooses a consultant, the amount to evaluate the responses for the Master Developer RFQ will be brought to the Authority for approval.



Mr. Proud replied yes.

Ms. Halsted moved. Mr. Fazande seconded. Approved 6-0

7. Director's Report given by Annemarie Conroy, Executive Director.

- Public Access - Media West held a conference dinner for 1200 people in Building 3, Levi Strauss and others are holding major corporate parties. Staff is still facilitating senior bus tours of TI and YBI regularly. Sixty weddings have taken place as well as seventy private parties. In January the UC Berkeley South Asian Student Association are holding 2 events for 2,000 people in Bldg.180. Lamm Research will hold an event for 5,000 people in Bldg. 180. 40 weddings are scheduled for the rest of the year and next year and approx. 50 parties are scheduled for next year. The pre-bid conference for the RFQ for TI was well attended last month.
- Environmental cleanup - Staff continues to work with TIHDI, the Navy and the John Stewart Company in keeping the housing program moving along. Staff also continues to work with DTSC and others to work on a final plan for site 12.
- Short Term Leases - no new short term leases.
- Bay Bridge - Department of Transportation was able to obtain YBI land and have now transferred it from the Navy to DOT who will transfer it to CalTrans. The Project Office is in discussions with the Governor's office and CalTrans regarding the significant mitigating package for TI/YBI and hope that a MOA or MOU will be forthcoming in 60-90 days. The project office has received a million dollar (\$1,000,000.00) earmark in the federal budget in the ferry boat discretionary funds. Staff is in the process of formally applying for the funds through CalTrans.
- Community Issues - Buses are running every 20 minutes during peak commute times, and on weekends until midnight. 70-80% of the Island is open to the public except for areas undergoing environmental cleanup. The convenience store issue continues to plague the island but WebVan is extremely popular. We're trying to repackage the convenience store to see if there are some subsidies in the different programs around the city that could assist.
- CAC - There have been two meetings and the bylaws were adopted by the Authority today.
- TIHDI - Continue to work closely with them.
- Financial report - Update will be provided at the next meeting in January.
- Legislation -There is no hearings or legislation affecting TI.

8. General Public Comment.

- Rev H. L Davis asked the Authority to use the chapel for religious services. Mr. Davis asked to submit his proposal to the Authority.
- Carrie Dipman of TIHDI replied that they held a small gathering similar to the SF Adopt a Family program where 30 TIHDI residents were adopted by 23 TI rate residents. It was a wonderful event and families and children enjoyed a great Christmas.

9. Ongoing Business by Directors and Introduction of new Business.

Mr. Green asked the fellow members of the Authority should there be a discussion of the Chapel or should it be calendared for discussion so we can hear the presentation.

Mr. Choy replied that because the chapel is on federal property must remain open to

the public and can not be used exclusively or primarily by one party.

Ms. Conroy added that staff has been working to see how we can accommodate not just faith-based organizations but others that would like to use the chapel on non-peak hours.

Mr. Green asked that the item be discussed in the Director's Report at the January meeting.

Ms. Conroy added that staff has had discussion of an off-peak hourly price that would cover janitors and staff.

In addition there is a legal opinion available that will be provided to the Authority members. Ms. Conroy added that staff has not put unsolicited proposals before the Authority because we receive them on a regular basis.

10. Resolution approving the Cooperative Agreement with the U.S. Navy for the period October 1, 2000 through September 30, 2001 for \$145,000.

Ms. Conroy replied that the Authority has been operating under declining funding that is provided to the Island for closing bases to maintain the streets, facilities, utilities, etc. Last year was really the final year of the Cooperative Agreement (CA) however we have negotiated for an additional \$145,000.00 for the federal fiscal year. The environmental cleanup has had an effect on the income from John Stewart Co., as we can not use the units until they are cleaned up. The Navy has agreed to the \$145,000.00 and we are seeking additional funds. Robert Mahoney, Deputy Director added that we have a three month no cost extension for the CA ending Jan 31, 2001. We would have to sign a Cooperative Agreement for the federal fiscal year beginning September 2000 until the end of September 2001.

Ms. Po-Rufino moved. Mr. Fazande seconded. Approved 6-0.

11. Meeting adjourned 3:06 PM.

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